

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.90
C2048C

C2

S



United States
Department of
Agriculture

Economic
Research
Service

January 1989

Outlook '89 Charts

65th Annual Agricultural Outlook Conference

U.S. DEPARTMENT OF AGRICULTURE

JUN 22 '89

LIBRARY
D



Outlook '89 Charts

65th Annual Agricultural Outlook Conference



Material in this document was presented at the 65th Annual Agricultural Outlook Conference, November 29, 30, and December 1, 1988, U.S. Department of Agriculture, Washington, D.C.

The black and white reproducible charts and tables included here were originally presented as color slides before the Outlook Conference. This publication does not include all visuals used at the Conference, because not all speakers used slides or provided material for this compilation.

Additional copies of this publication are available for \$3.00 (\$3.75 to foreign addresses) through ERS/USDA, Room 228, 1301 New York Ave., N.W., Washington, D.C. 20005

A full proceedings of the Conference is available for \$18.00 (\$22.00 to foreign addresses) through the World Agricultural Outlook Board, Room 5143-S, USDA, Washington, D.C. 20250.

U.S. and World Agricultural Outlook

James R. Donald

World Economic Growth	1
World Total Grains	1
World Soybeans	2
World Cotton	2
World Total Grain Trade	3
World Soybean Trade	3
World Cotton Trade	4
U.S. Agricultural Trade, Fiscal Year	4
Three Driest Years Since 1931	5
U.S. Crop Production	5
U.S. Total Grain Supply and Demand	6
U.S. Wheat	6
U.S. Corn	7
U.S. Soybeans	7
U.S. Cotton	8
U.S. Beef	8
U.S. Pork	8
U.S. Broilers	9
Cash Farm Income	9
Changes in Consumer Price Indexes	10
Crop Area Harvested Plus Conserving Uses	10
Acreage Reduction Requirements	11
U.S. Farm Prices	11
Index of U.S. Crop Yields	12

Cotton Outlook

Russell G. Barlowe

World Cotton Prices	13
World Cotton Prices and Stocks-to-Use Ratio	13
World Cotton Supply and Demand	14
World Cotton Trade	14
U.S. Cotton Production, Disappearance and Stocks	15
Cotton Price Ratio and U.S. Export Share	15
World Cotton Area, Yield and Production	16
World Cotton Consumption and Imports	16
China's Cotton Supply and Demand	17
Soviet Cotton Supply and Demand	17
U.S. Cotton Area, Yield and Production	18
U.S. Cotton Disappearance and Stocks	18
World Cotton Prospects for the 1990's	19
U.S. Share of World Cotton Total	19

Dairy Outlook

James J. Miller

Commercial Use of All Dairy Products	20
Milk Marketings and Commercial Use	20
Retail Price Indexes	21
U.S. Milk Production	21
Dairy Product Stocks	22
USDA Dairy Product Purchases	22
Milk Cows on Farms, 21 States	23
Milk Production Per Cow, 21 States	23
All-Milk Price	24

Vegetable Outlook

Shannon R. Hamm

Industry at a Glance	25
Vegetable Production	25
Per Capita Utilization of Vegetables	26
Retail Vegetable Prices	26
Vegetable Cash Receipts	27
Crop and Vegetable Cash Receipts, 1988	27
Net Trade in Potatoes	28
Net Trade in Vegetables	28
Vegetables' Share of Targeted Export Assistance	29
Impact of Drought on Processing Production	29

Fruit Outlook

Ben W. Huang

U.S. Citrus Production	30
U.S. Production of Selected Noncitrus Fruit	30
Florida Supply and Movement of FCOJ	31
Brazilian Orange and FCOJ Production, Exports	31
U.S. Fruit Prices	32

U.S. Trade in Fresh Fruit	32
U.S. Supply, Movement and Producer Price of Canned Fruit	33
U.S. Supply and Movement of Tree Nuts	33
Bearing Acreage of Fruit and Tree Nuts	34
Per Capita Fruit Consumption	34

Aquaculture Outlook

Michael Dicks

U.S. Aquacultural Production	35
U.S. Edible Fishery Products	35
U.S. Consumption of Fishery Products	36
Selected Input Costs and Fish Prices	36
Demand Factors for Fishery Products	37
Demand Factors for Fishery Products, Household Income	37
Demand Factors for Fishery Products, Household Income and Size	38

Tobacco Outlook

Verner N. Grise

U.S. and World Tobacco Production	39
Tobacco Acreage, Yield, and Production	39
Export Markets for U.S. Tobacco	40
Unsold Flue-Cured and Burley Loan Stocks	40
Burley Tobacco Supply	41
Burley Use	41
Flue-Cured Tobacco Supply	42
Flue-Cured Use	42
Per Capita Consumption of Tobacco Products	43
Consumer Price Index and Tobacco-Product Prices	43
Cigarettes Produced and Tobacco Used	44
Per Capita Cigarette Consumption	44
World Cigarette Output	45
Tobacco Use in Cigarettes	45

Cattle Outlook

Steve Reed

Commercial Beef Production	46
Per Capita Meat and Poultry Consumption	46
Medium #1 Feeder Steer Prices, Kansas City	47
Choice Steer Prices, Omaha	47
U.S. Cattle and Calf Inventory	48
Returns to Cow-Calf Producers	48
U.S. Sheep Inventory	49
Returns to Sheep Producers	49
Beef Exports	50
Beef Imports	50
Percent of Income Spent on Meat	51
Fed Cattle Slaughter	51
Percent of Cow Herd Slaughtered	52
Beef Carcass Weights	52

Hog Outlook

Kevin Bost

U.S. Hog Inventory	53
Net Returns to Hog Producers	53
Retail Pork Prices	54
Commercial Pork Production	54
U.S. Pork Imports, Carcass Weight	55
U.S. Hog Imports from Canada	55
Barrow and Gilt Prices, 7 Markets	56
U.S. Pork Exports, Carcass Weight	56

Poultry Outlook

Mark Weimer

U.S. Egg Production	57
U.S. Egg Exports	57
U.S. Broiler Production	58
U.S. Broiler Exports	58
U.S. Turkey Production	59
U.S. Turkey Exports	59
Egg Industry Net Returns at Wholesale	60
Eggs: Wholesale Prices in New York, Grade A, Large	60
Broiler Industry Net Returns at Wholesale	61
12-City Wholesale Broiler Prices	61
Turkey Industry Net Returns at Wholesale	62
Wholesale Hen Turkey Prices, East	62
Turkey Stock-to-Use Ratio	63

Food Prices

Ralph Parlett

Food Price Trend Since 1980	64
Price Changes of Major Marketing Inputs	64
Selected Food Price Indicators	65
Market Basket Statistics	65

Farm Programs

Paul Westcott

Soybean/Corn Breakeven Prices, 1989/90	66
Soybean/Corn Breakeven Prices, 1989/90 (No payments)	66
Soybean/Corn Breakeven Price Ratios Corn Belt States, 1989/90	67
Soybean/Corn Breakeven Price Ratios Corn Belt States, 1989/90 (No payments)	67
Soybean/Cotton Breakeven Prices, 1989/90	68
Soybean/Cotton Breakeven Prices, 1989/90 (No payments)	68
Soybean Acres and Spot Prices	69
Soybean Acres and the Wheat Program	69
U.S. Soybean Plantings	70

Improved Economic Fundamentals Shape the Outlook	71
Improvement in Commodity Prices	71
Crop Receipts Rebound	72
Record Livestock Receipts Forecast	72
Moderate Growth in Expenses	73
Government Payments Declining	73
Income Outlook: More Production, Less Cash as Inventory Replenished	74
Financial Gains for Commercial Farms	74
Asset Returns Reflect Better Balance in Prices	75
Agriculture's Recent Problems	75
1988 Drought Worst in 50 Years	76
1980's Ending with Higher Net Farm Income	76
Farm Balance Sheet Has Stabilized	77

Outlook for Agricultural Inputs*Stan Daberkow*

Area Planted to Principal Crops	78
Corn Belt Per Acre Values	78
Agricultural Chemical Price Index	79
Agricultural Input Trends and Issues	79
Seed Price Index	80
Seed Use for Major Crops	80
Fertilizer Price Index	81
Fertilizer Nutrient Consumption	81
Tractor Sales	82
Tractor Unit Sales 100+ HP	82
Farm Employment	83
Farm Debt Change and Real Interest Rate	83
Farm Fuel Use	84
Crude Oil and Diesel Fuel Prices	84
Cash Expenditures/Farm Receipts	85
Sales of Self-Propelled Combines	85
U.S. Agricultural Pesticide Use	86

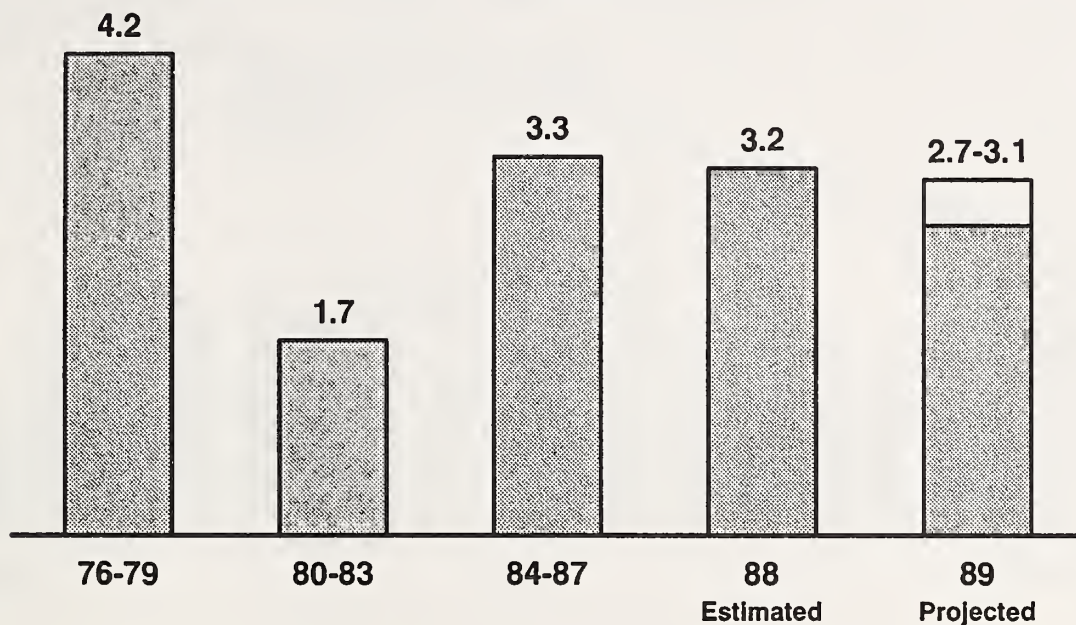
Outlook '89 Charts

65th Annual Agricultural
Outlook Conference

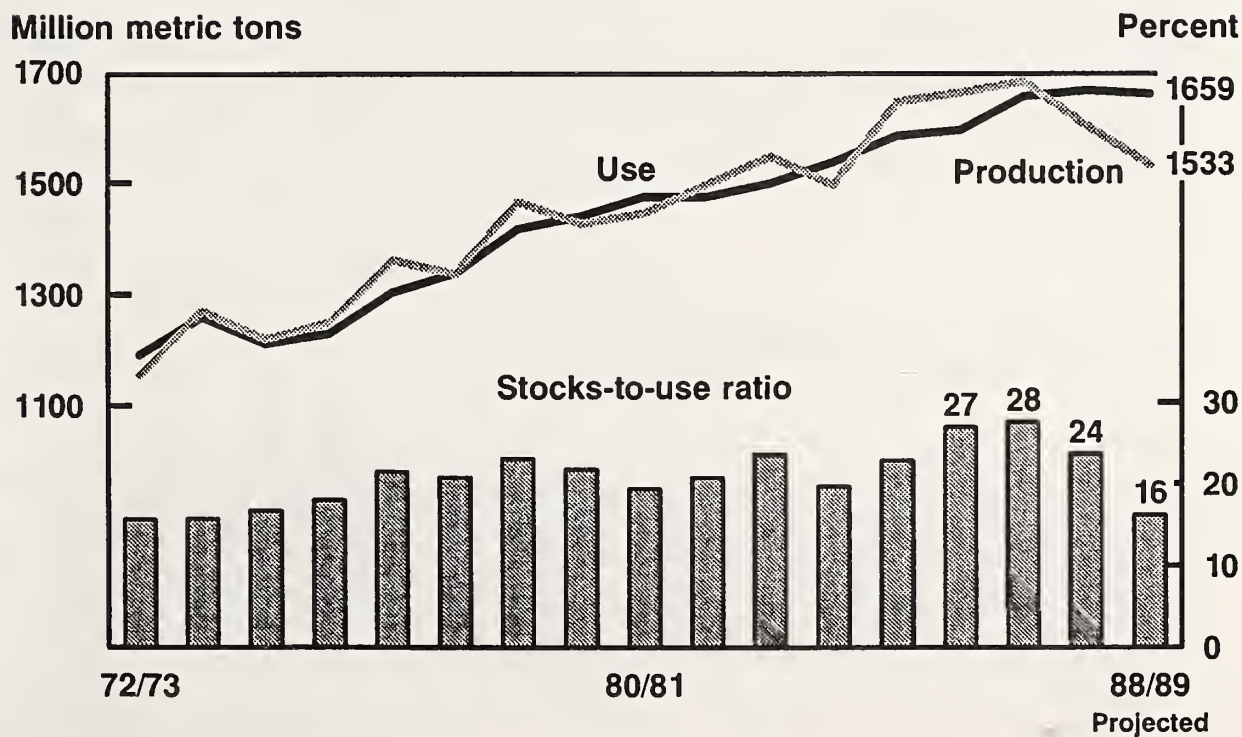
January 1989



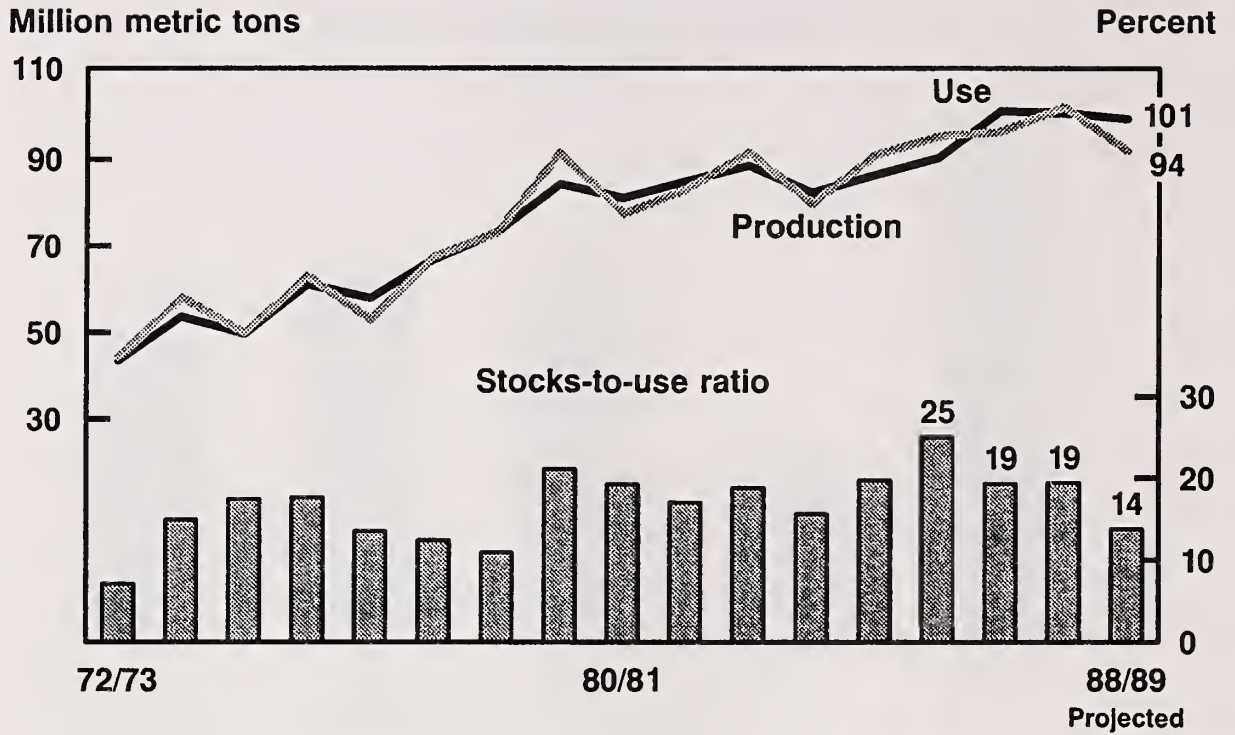
World Economic Growth Percent



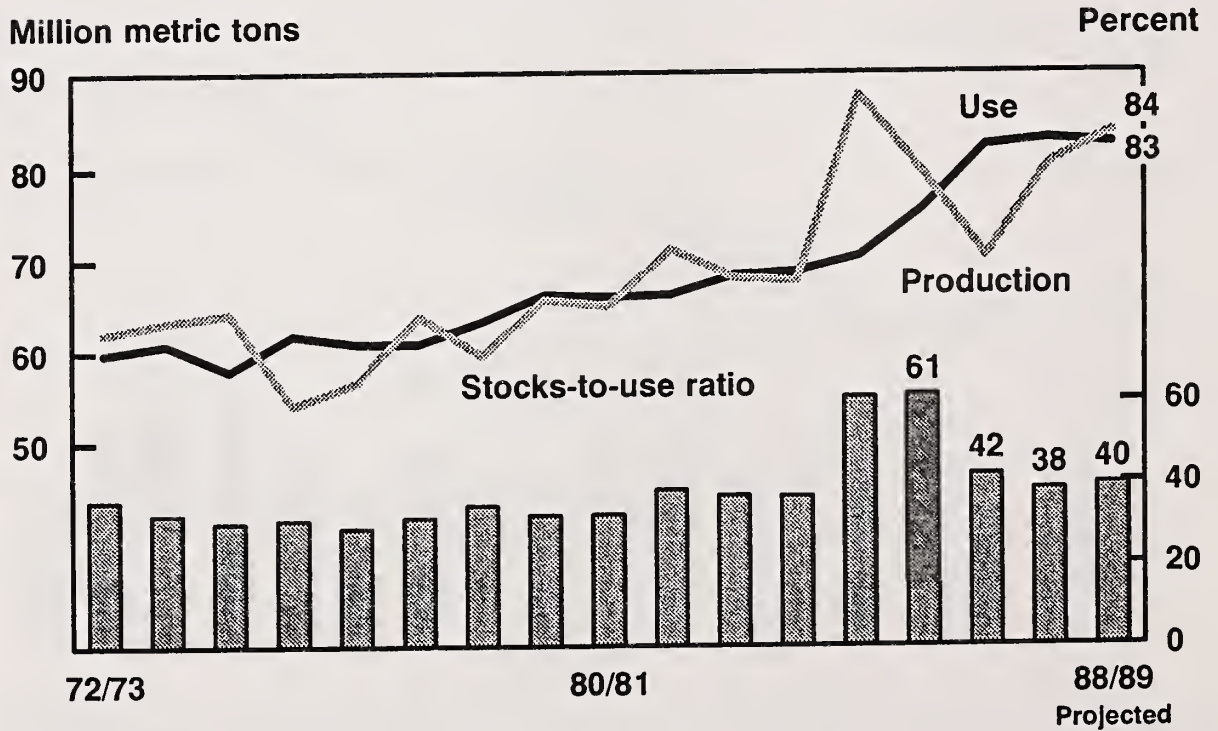
World Total Grains



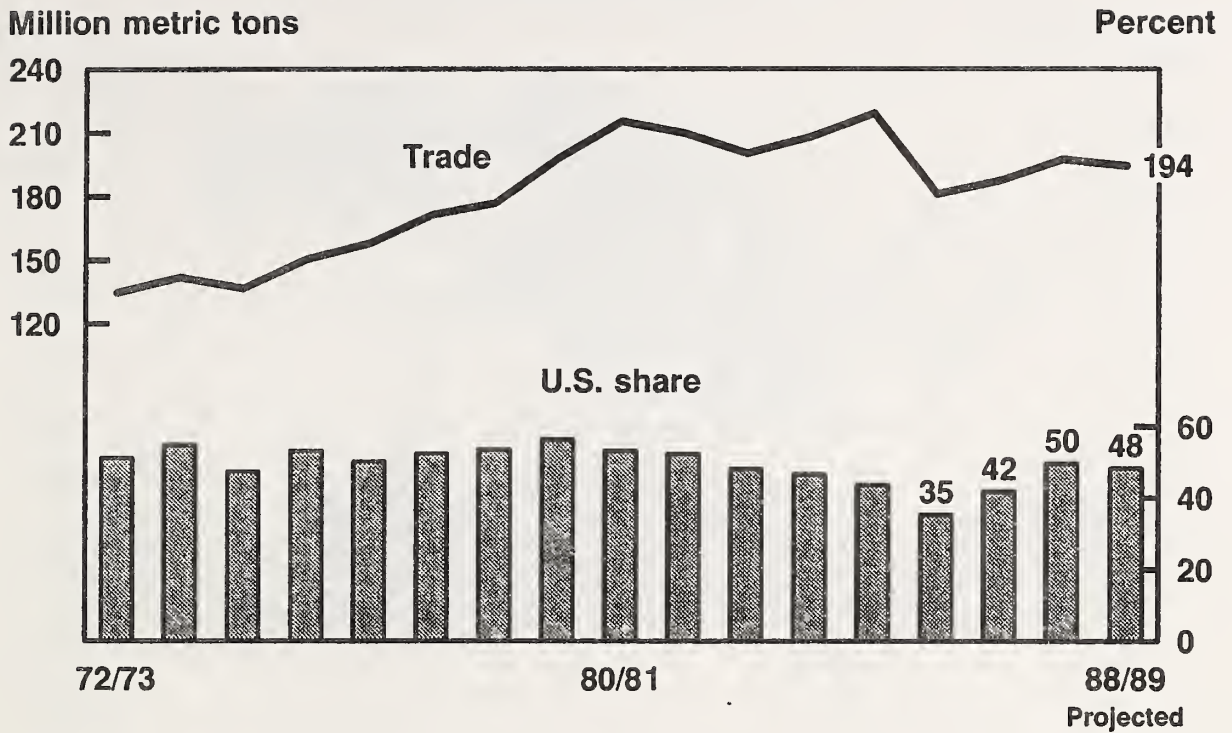
World Soybeans



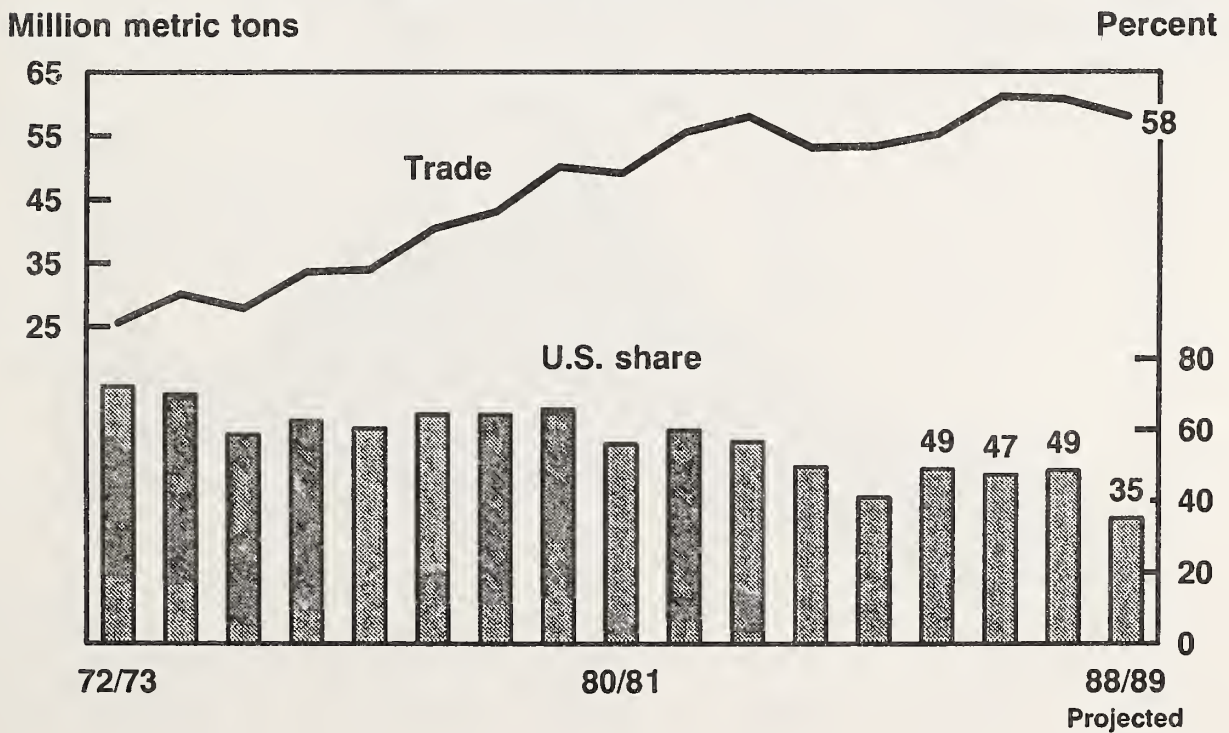
World Cotton



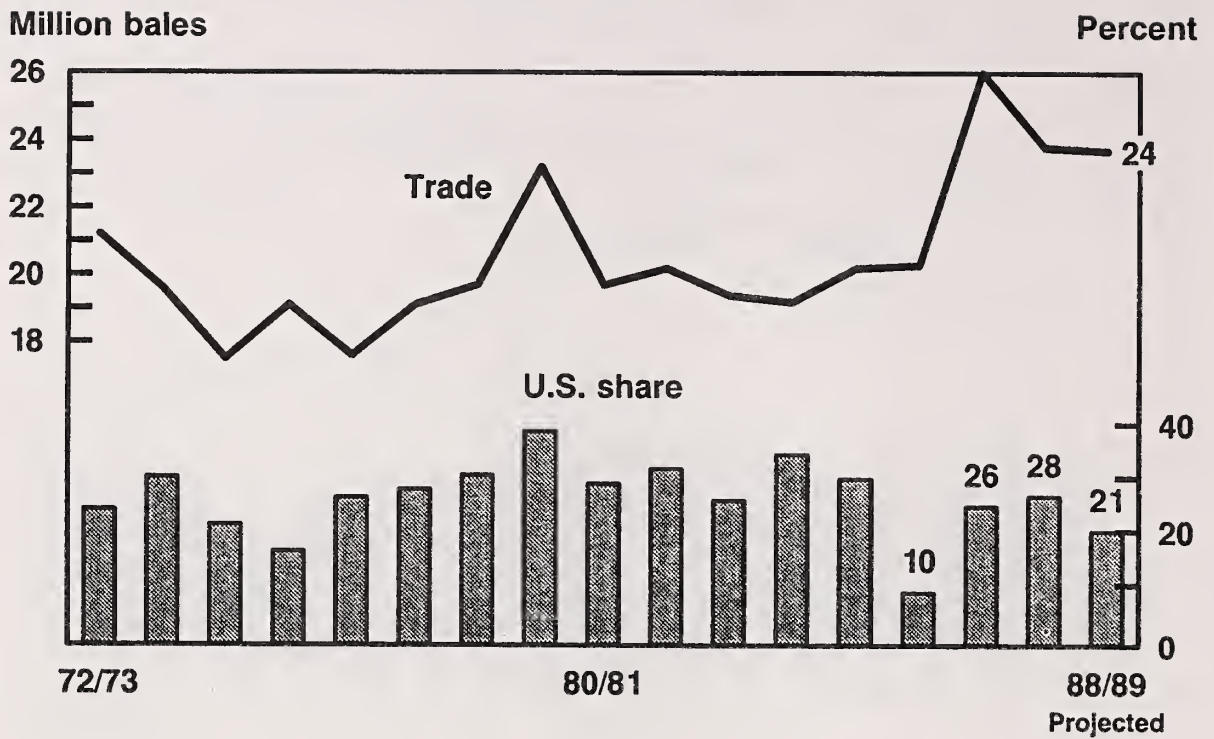
World Total Grain Trade



World Soybean Trade

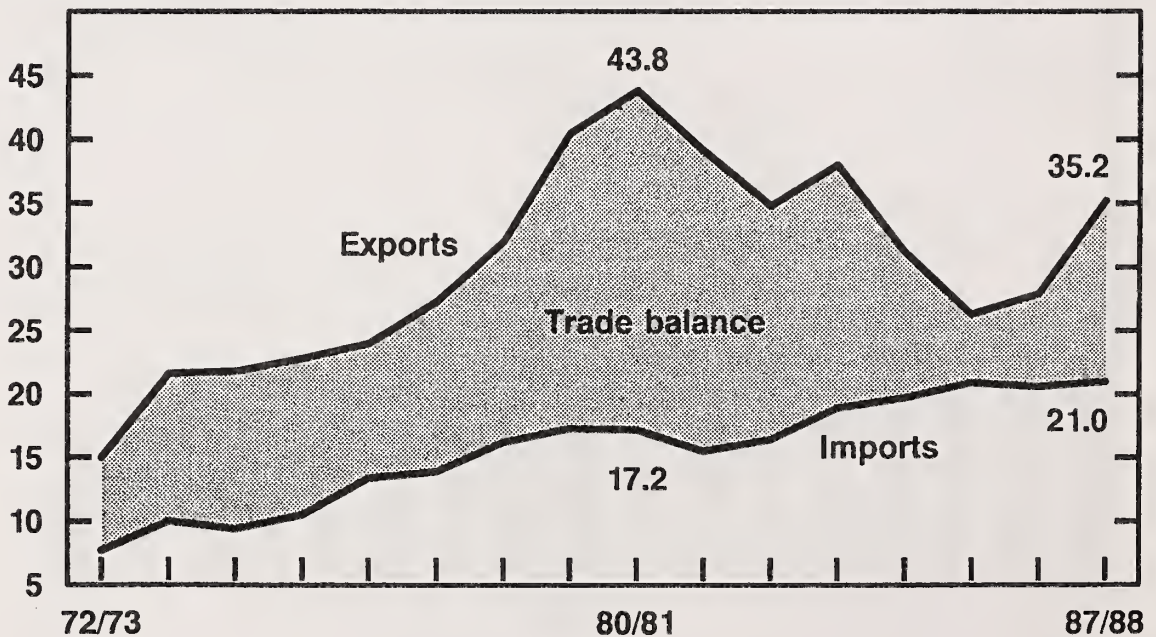


World Cotton Trade



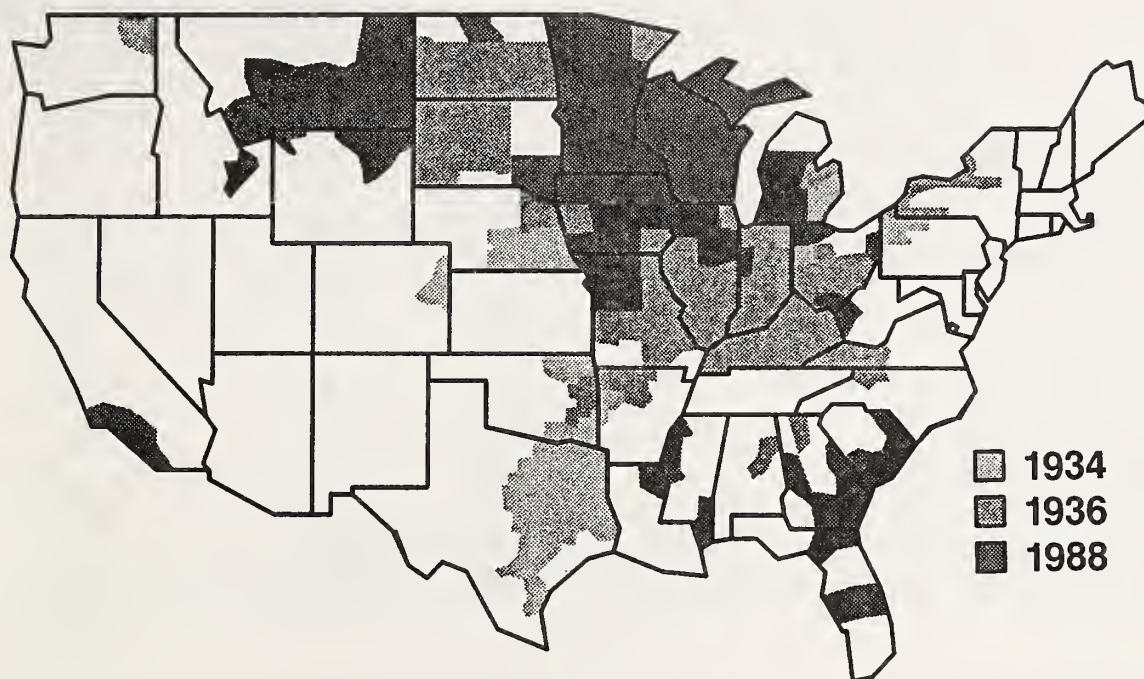
U.S. Agricultural Trade, Fiscal Year

Billion dollars



Three Driest Years Since 1931

May Through July



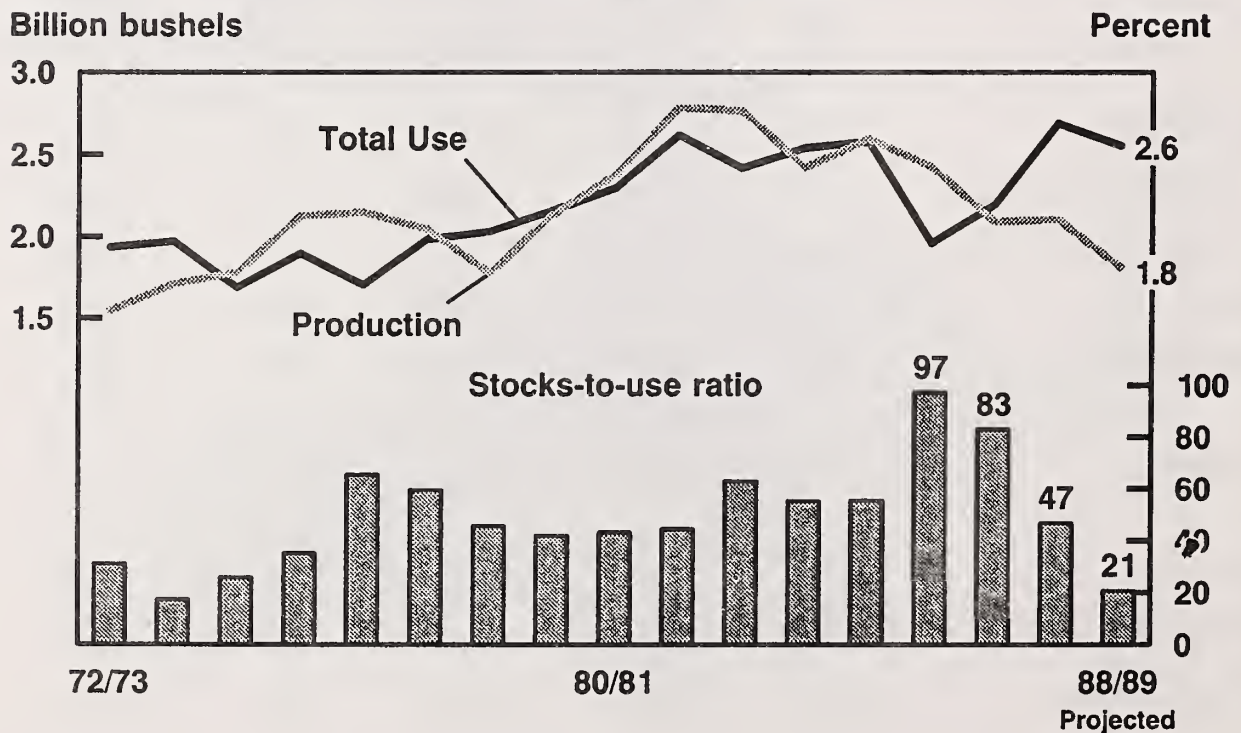
U.S. Crop Production

	<u>1987</u>	<u>1988 June 9 Forecast</u>	<u>1988 Nov. 12 Forecast</u>	<u>Change from June 9</u>	<u>Change from Year Ago</u>
	Million Bushels			Percent	
All Wheat	2,107	2,120	1,812	-15	-14
Hard Red Winter	1,021	970	888	-8	-13
Hard Red Spring	431	-	182	-	-58
Corn	7,064	7,300	4,671	-36	-34
Soybeans	1,923	1,880	1,512	-20	-21
	Million Bales				
Cotton	14.76	14.00	14.84	+ 6	+ 1
	Million Metric Tons				
Wheat	57.4	57.7	49.3	-15	-14
Feed Grains	215.2	219.9	141.7	-36	-34
Total Grains	277.1	282.6	196.5	-30	-29

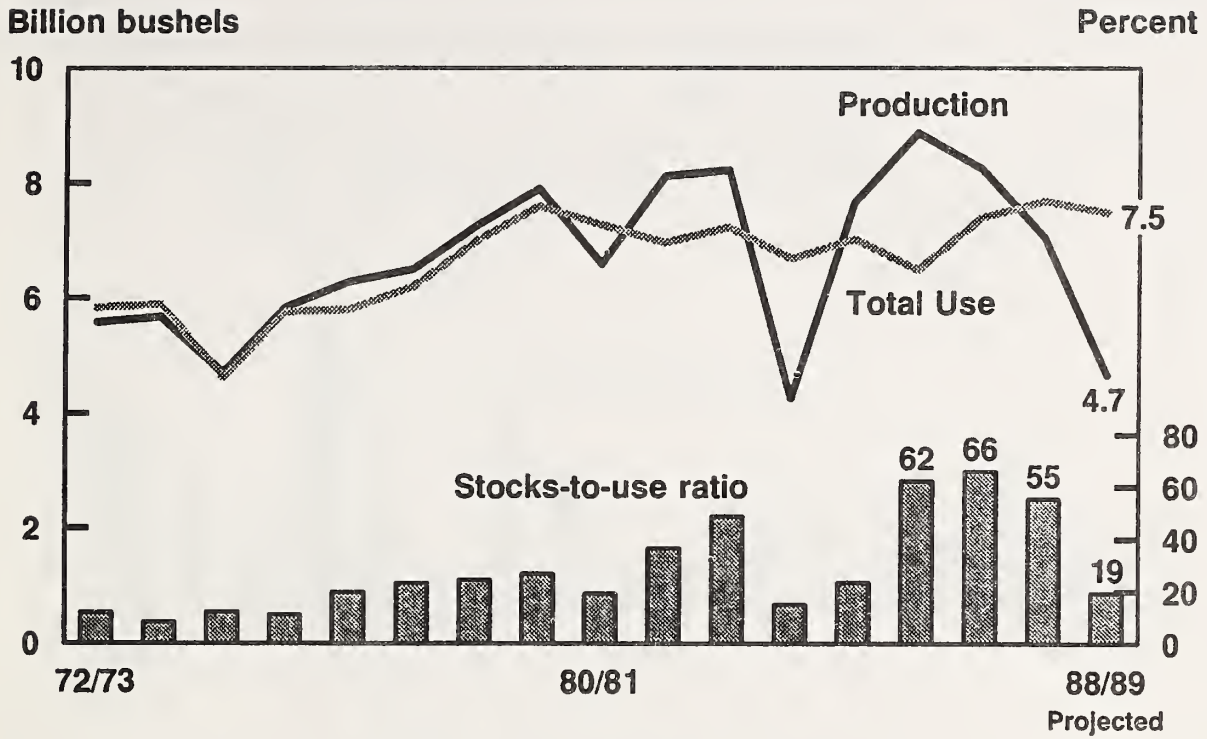
U.S. Total Grain Supply and Demand

	<u>1986/87</u>	<u>1987/88</u>	<u>1988/89</u> <u>Forecast</u>	<u>Change from</u> <u>Year ago</u>
	Million Metric Tons			Percent
Beginning Stocks	181	204	169	-17
Production	314	277	196	-29
Total Supply	497	483	368	-24
Feed and Residual	157	154	144	-6
Food, Seed and Industrial	60	61	62	+2
Domestic Use	217	215	206	-4
Exports	76	98	93	-5
Total Use	293	313	299	-4
Ending Stocks	204	169	68	-60
	Percent			
Stock/Use Ratio	70	54	23	-

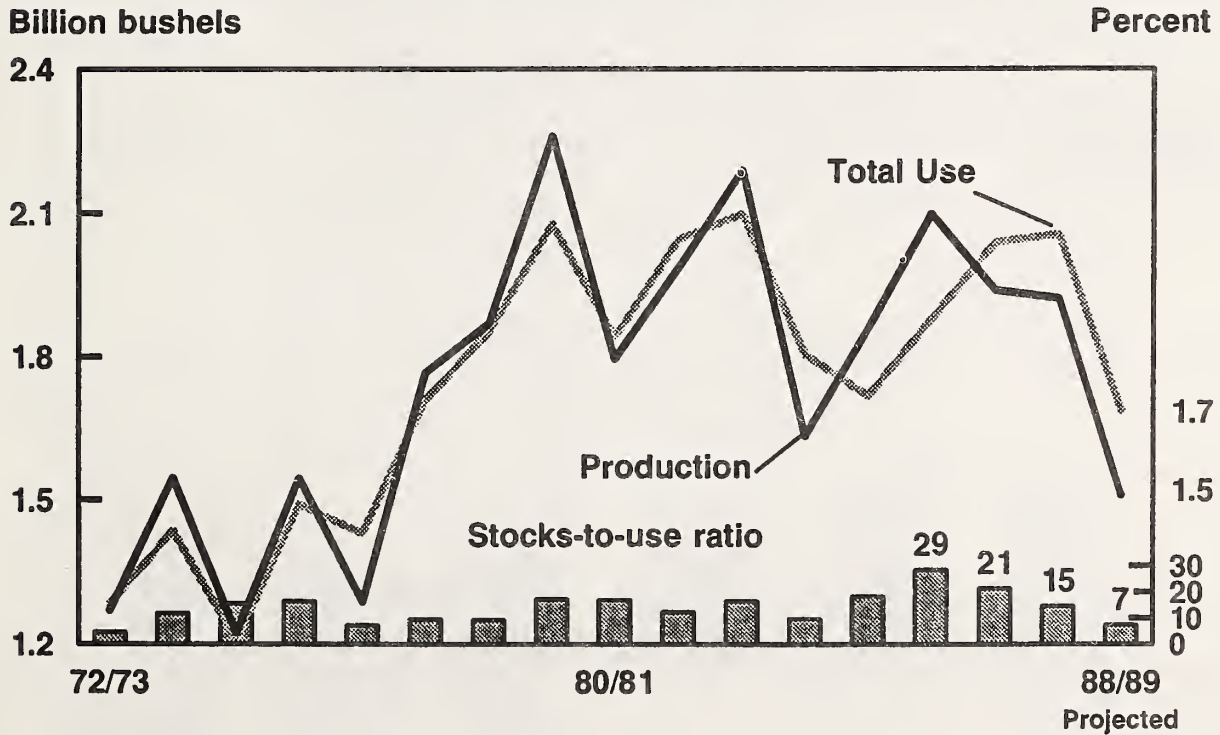
U.S. Wheat



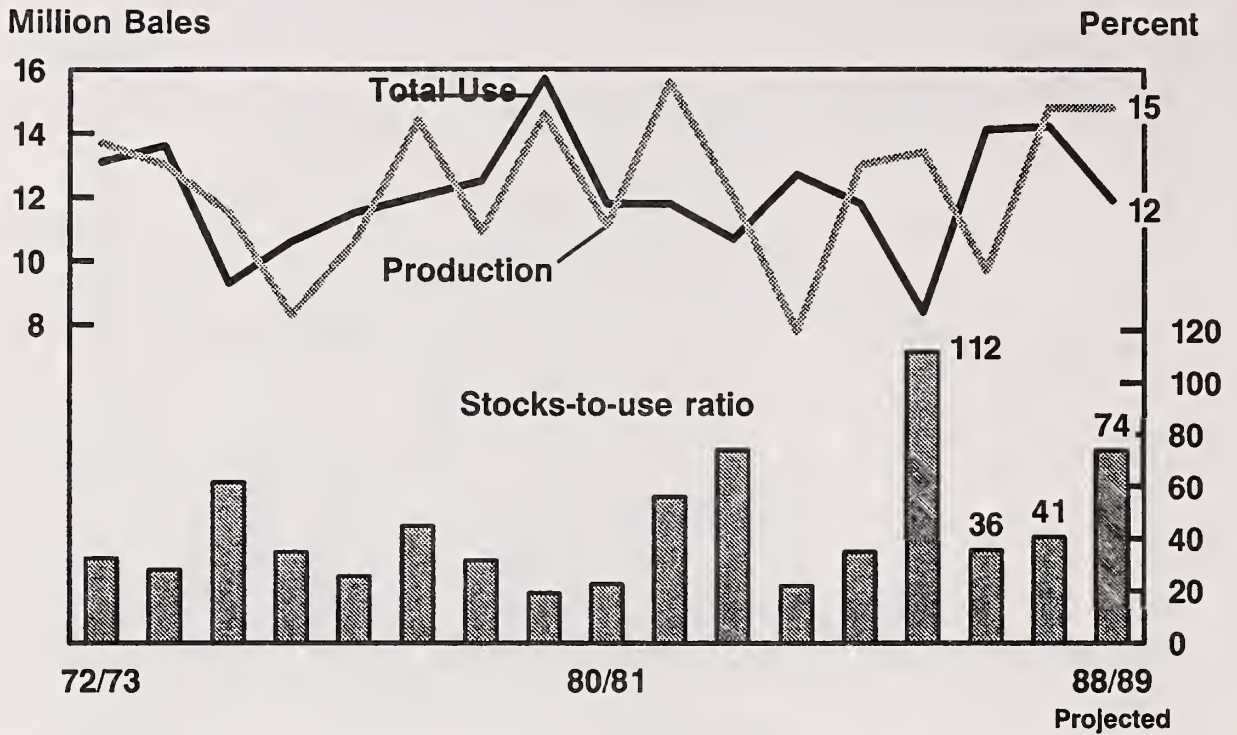
U.S. Corn



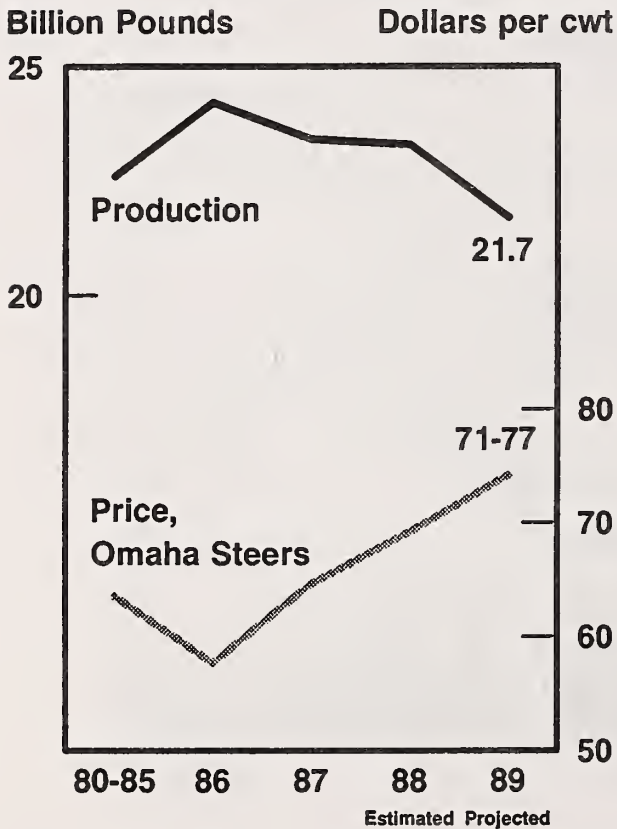
U.S. Soybeans



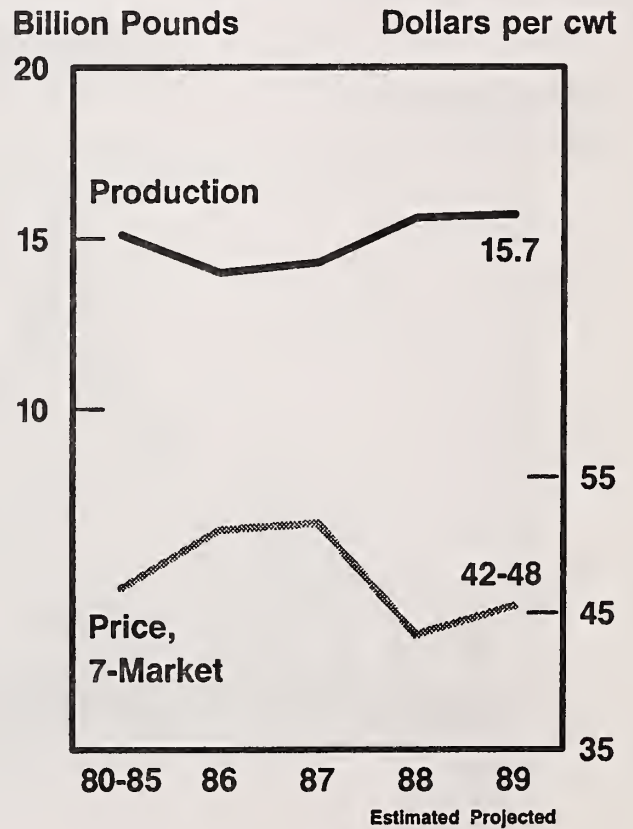
U.S. Cotton



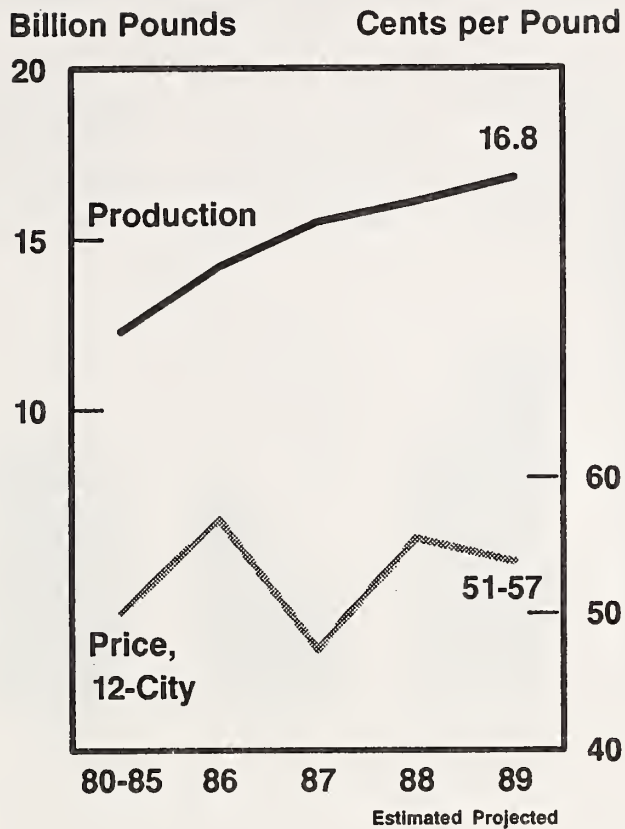
U.S. Beef



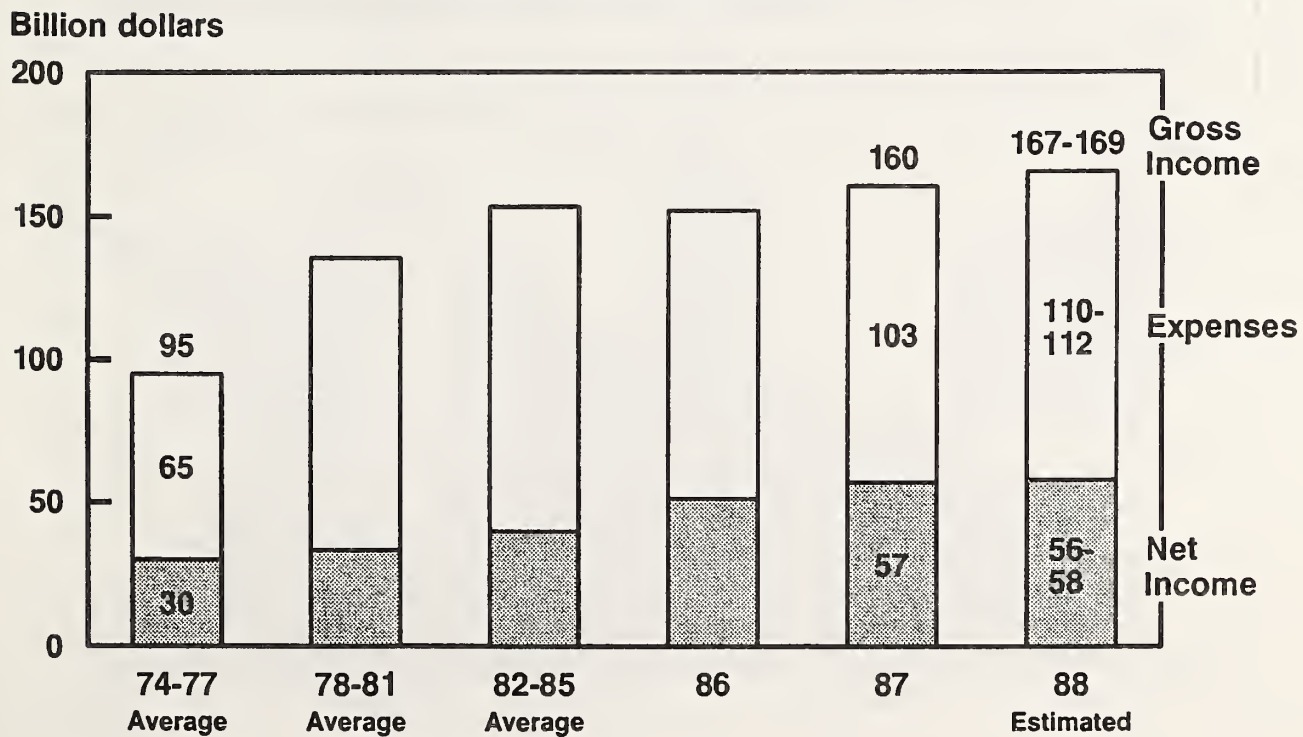
U.S. Pork



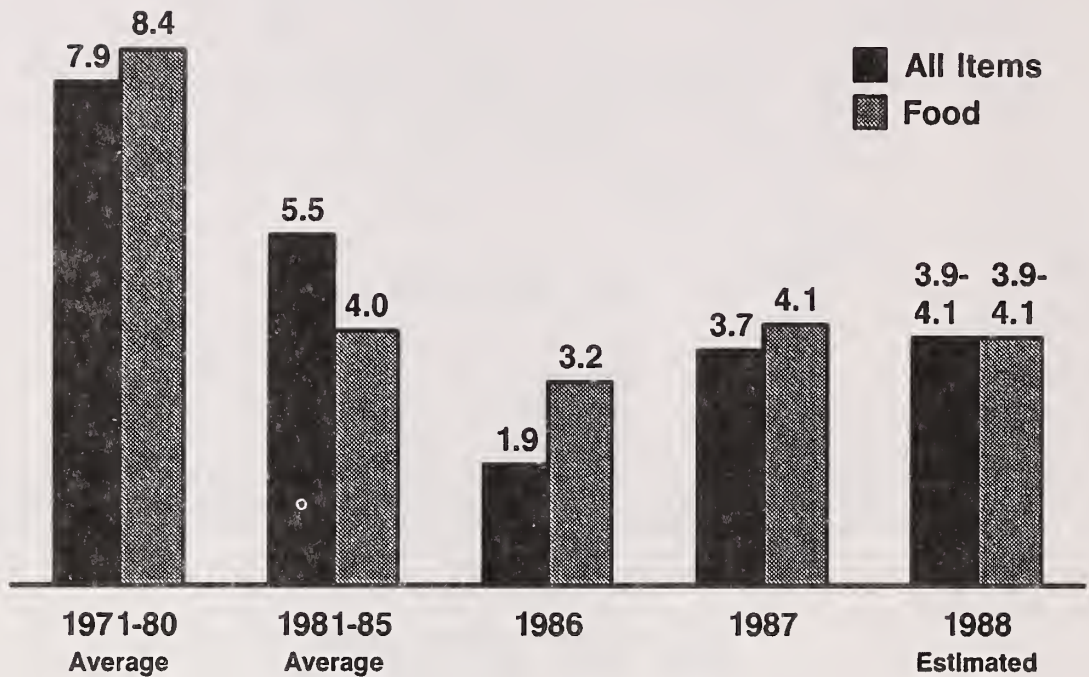
U.S. Broilers



Cash Farm Income

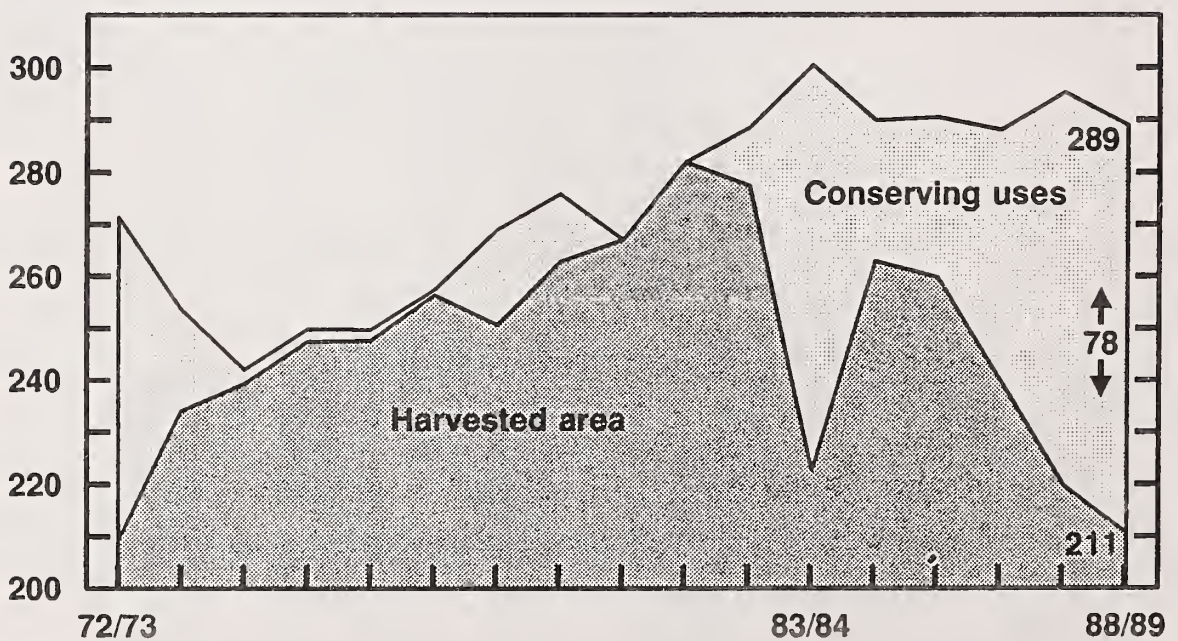


Changes in Consumer Price Indexes Percent



Crop Area Harvested Plus Conserving Uses

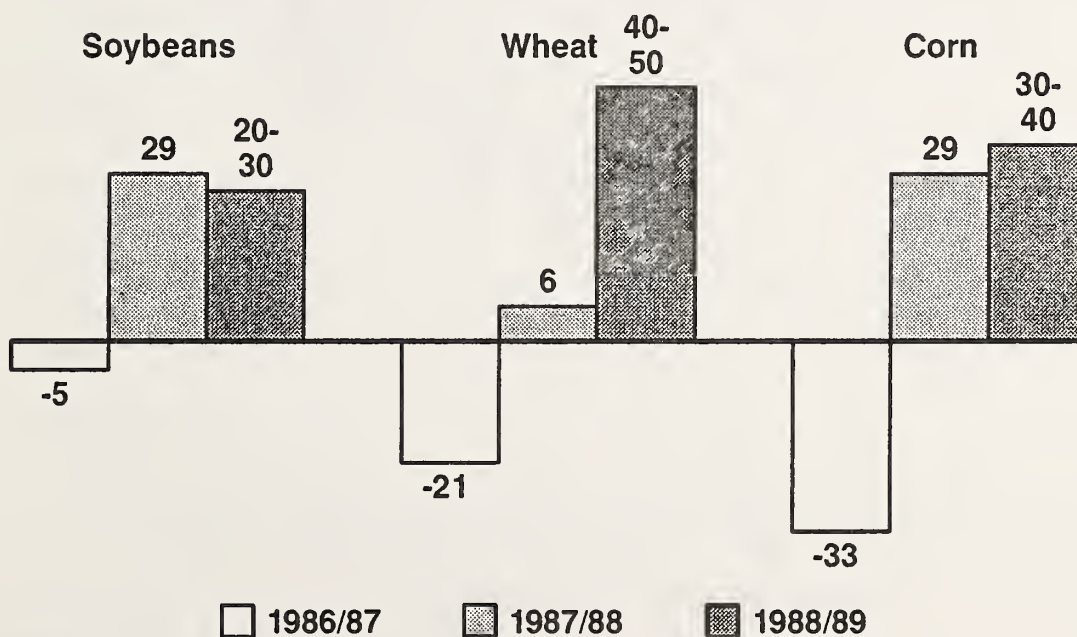
Million acres



Acreage Reduction Requirements

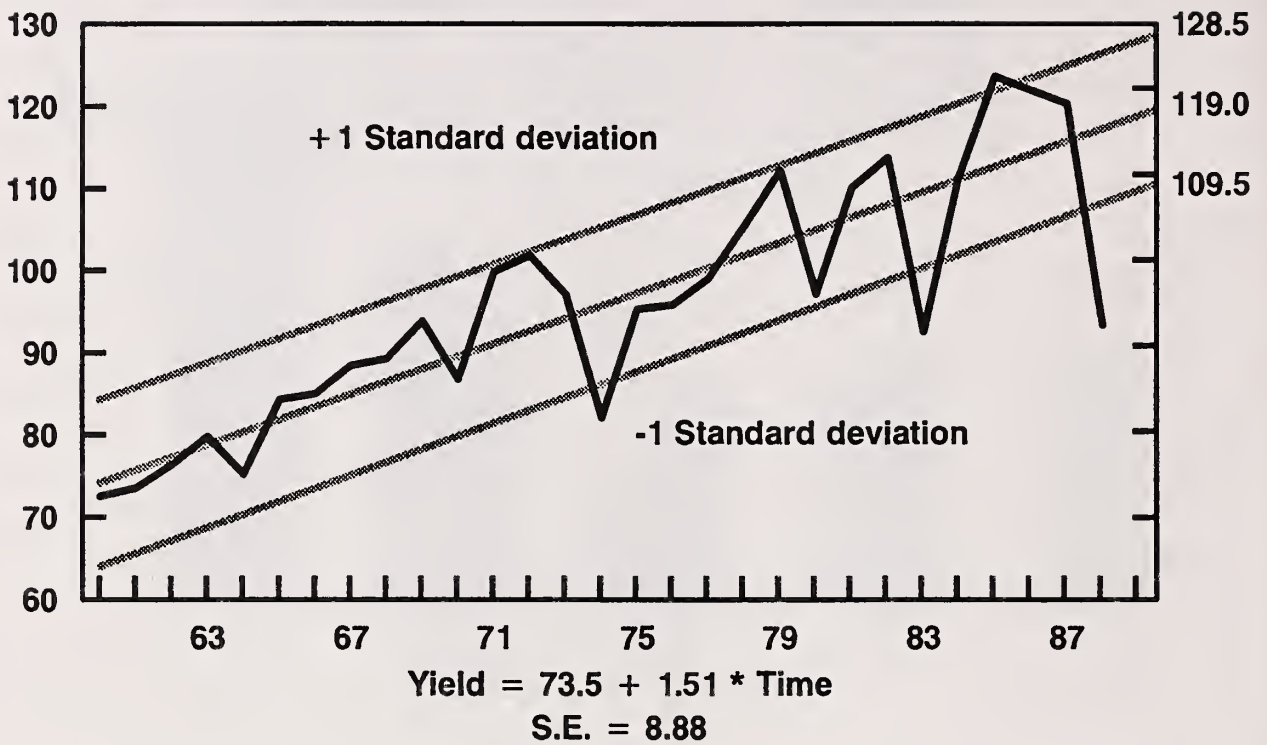
	<u>Acreage Reduction Program</u>	<u>Paid Land Division</u>	<u>Removed from Production</u>	<u>Planted</u>
	Percent		Million Acres	
Wheat				
1988/89	27.5	0	23	65.7
1989/90	10	0	-	-
Corn				
1988/89	20	10	21	67.5
1989/90	10	0	-	-

U.S. Farm Prices Percent Change from Year Earlier



Index of U.S. Crop Yields Wheat, Feed Grains and Soybeans

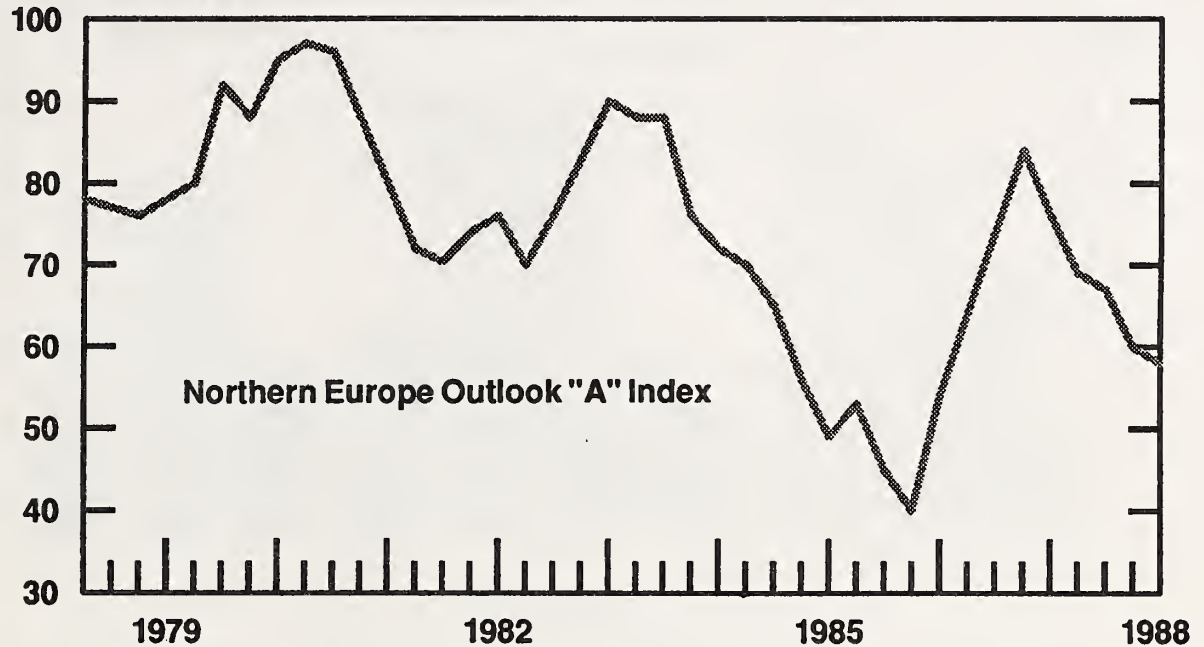
1977 = 100





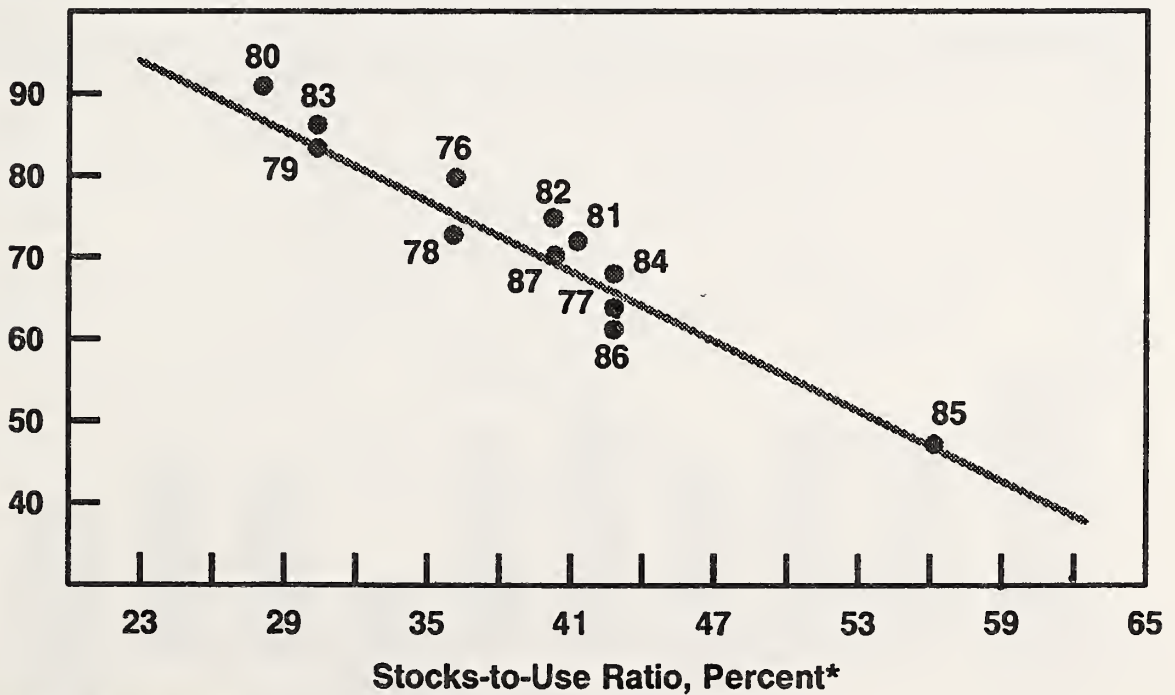
World Cotton Prices

Cents per Pound



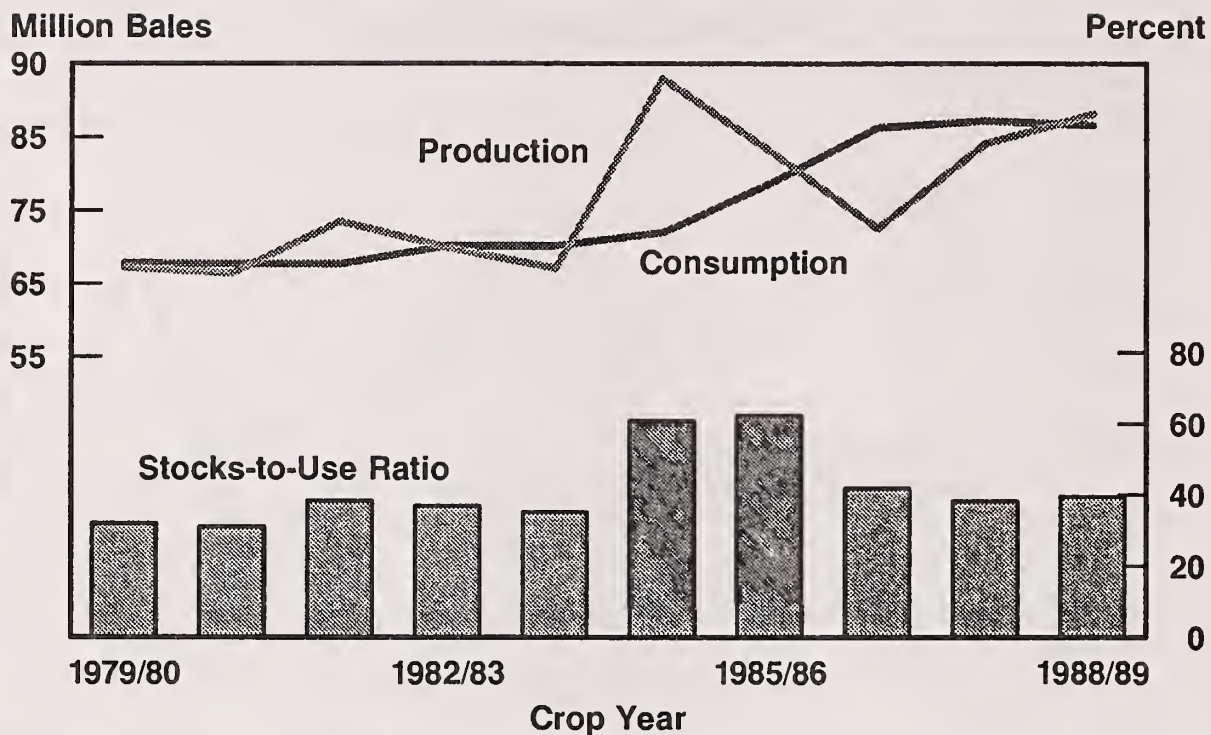
World Cotton Prices and Stocks-to-Use Ratio

Cents per Pound

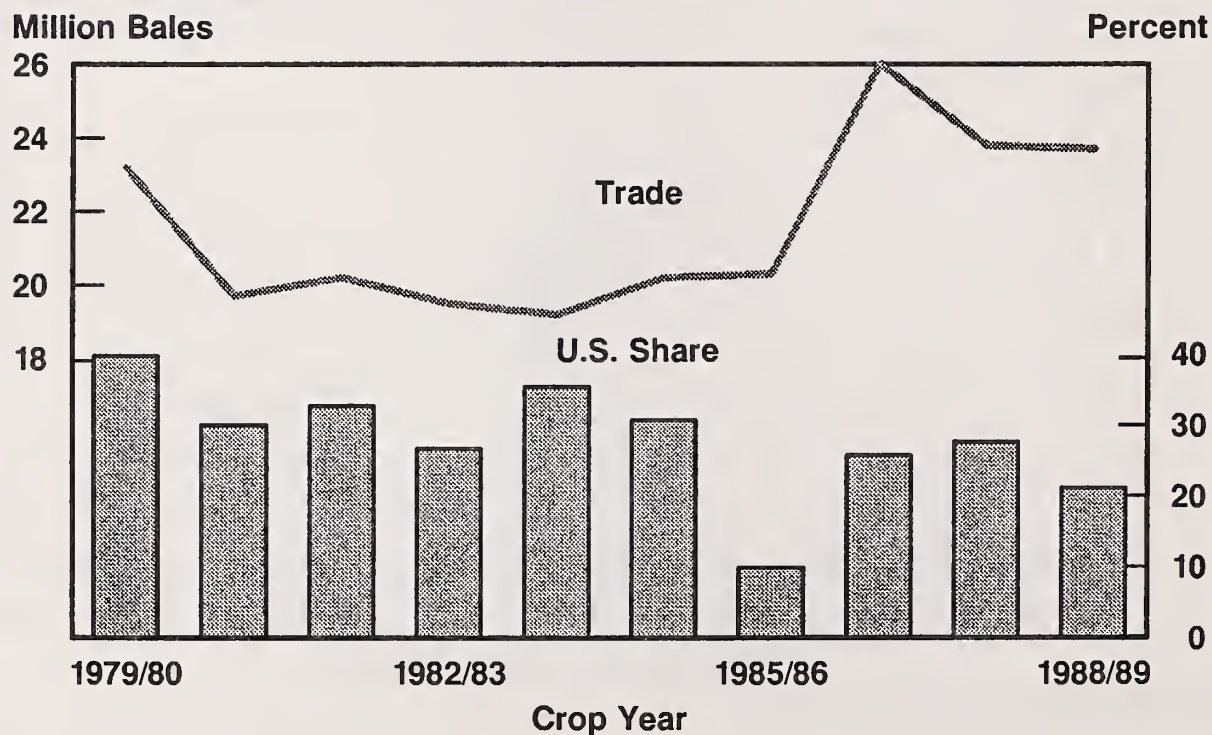


*Excludes China, except for net trade

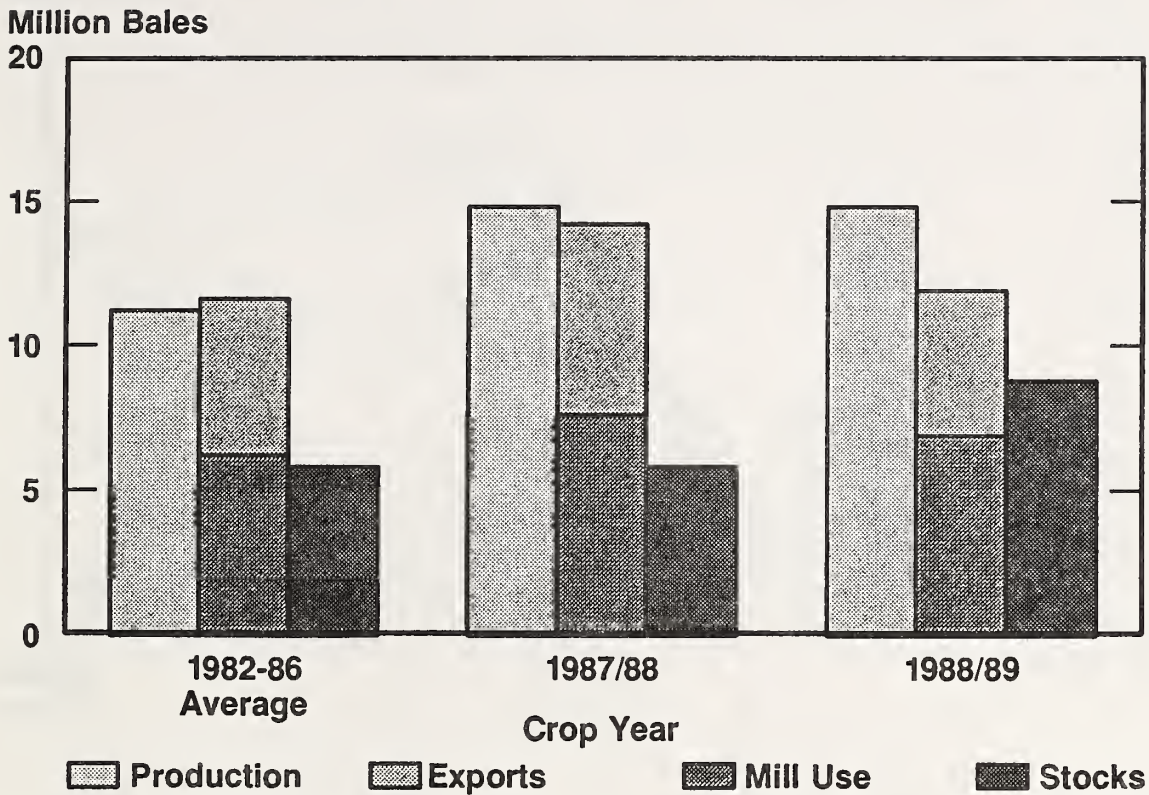
World Cotton Supply and Demand



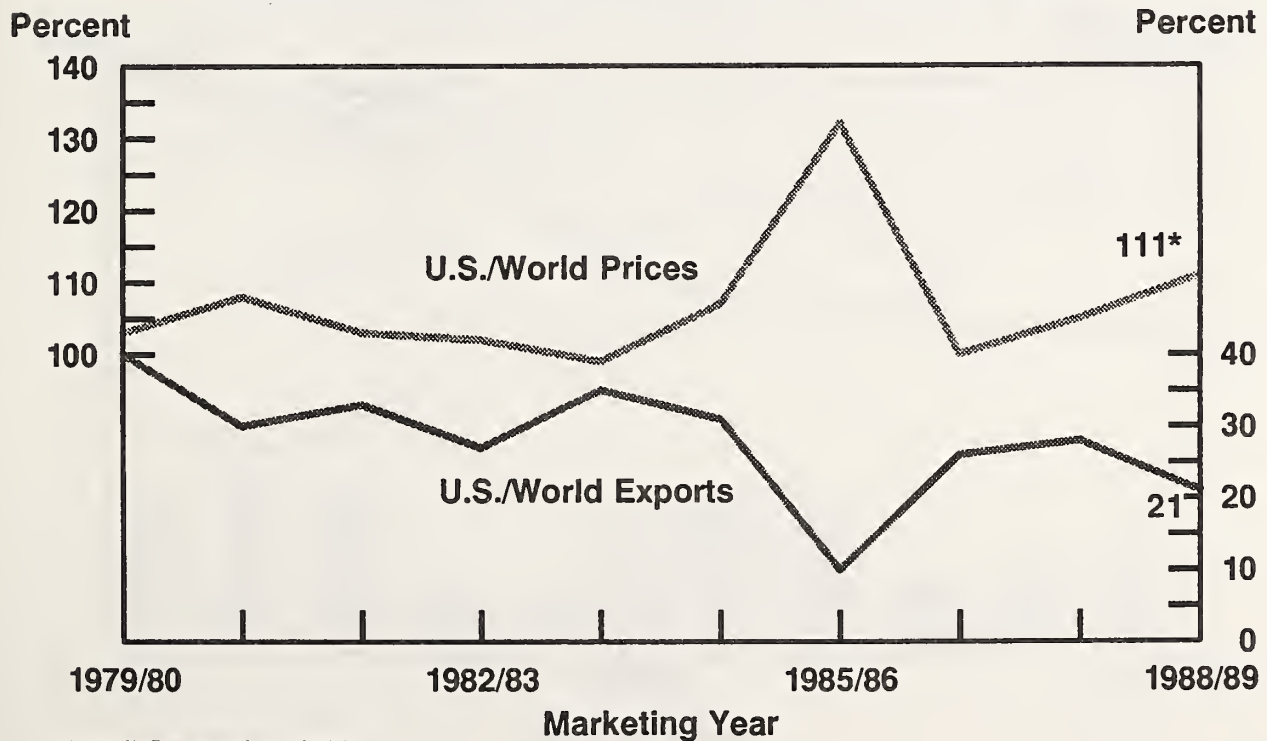
World Cotton Trade



U.S. Cotton Production, Disappearance and Stocks

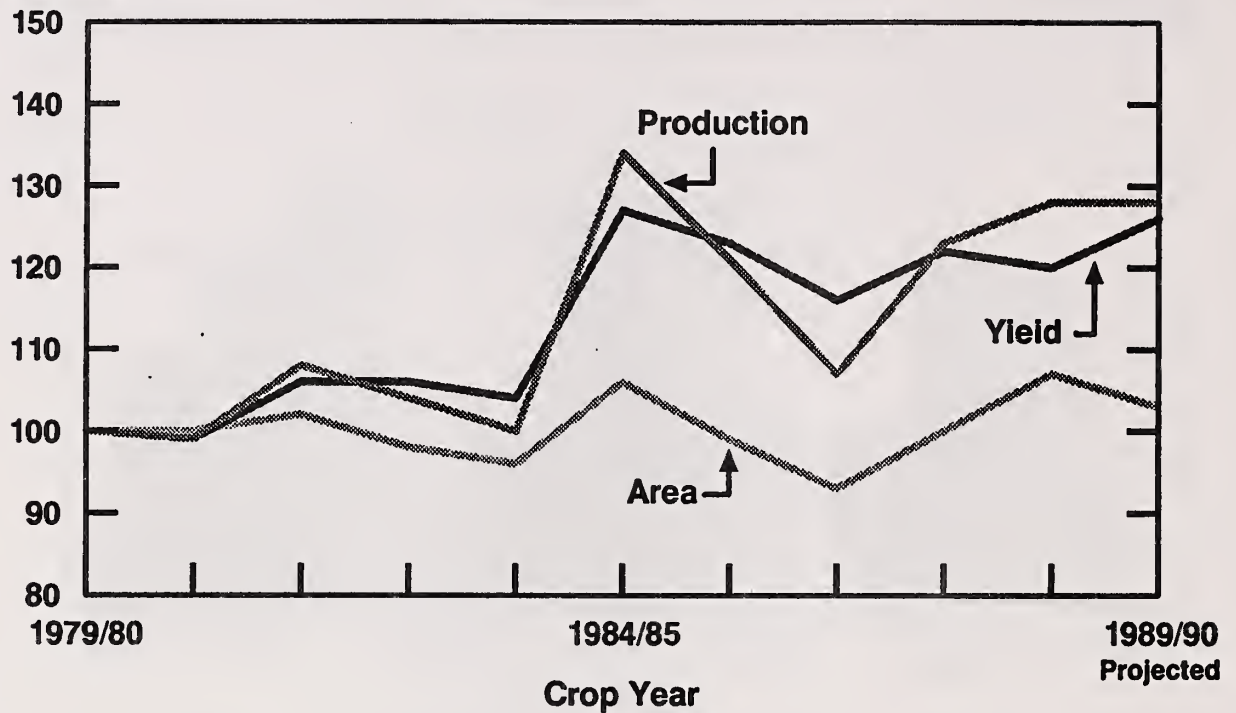


Cotton Price Ratio and U.S. Export Share



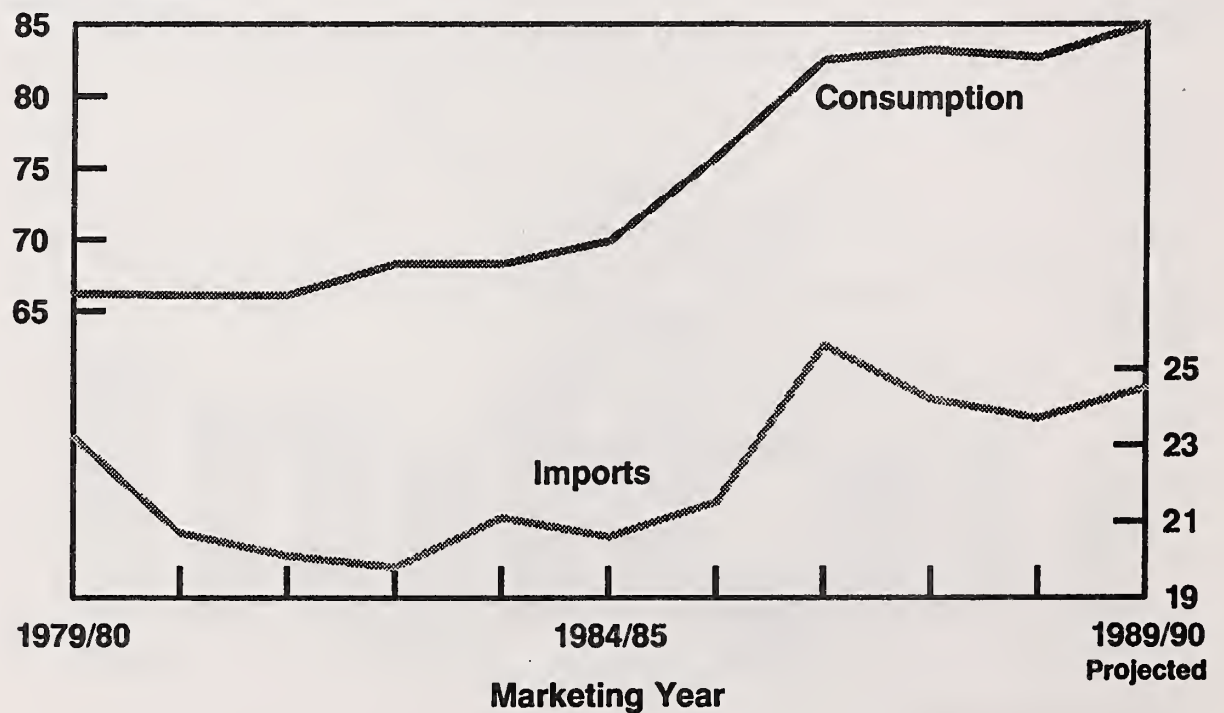
World Cotton Area, Yield and Production

Percent of 1979/80

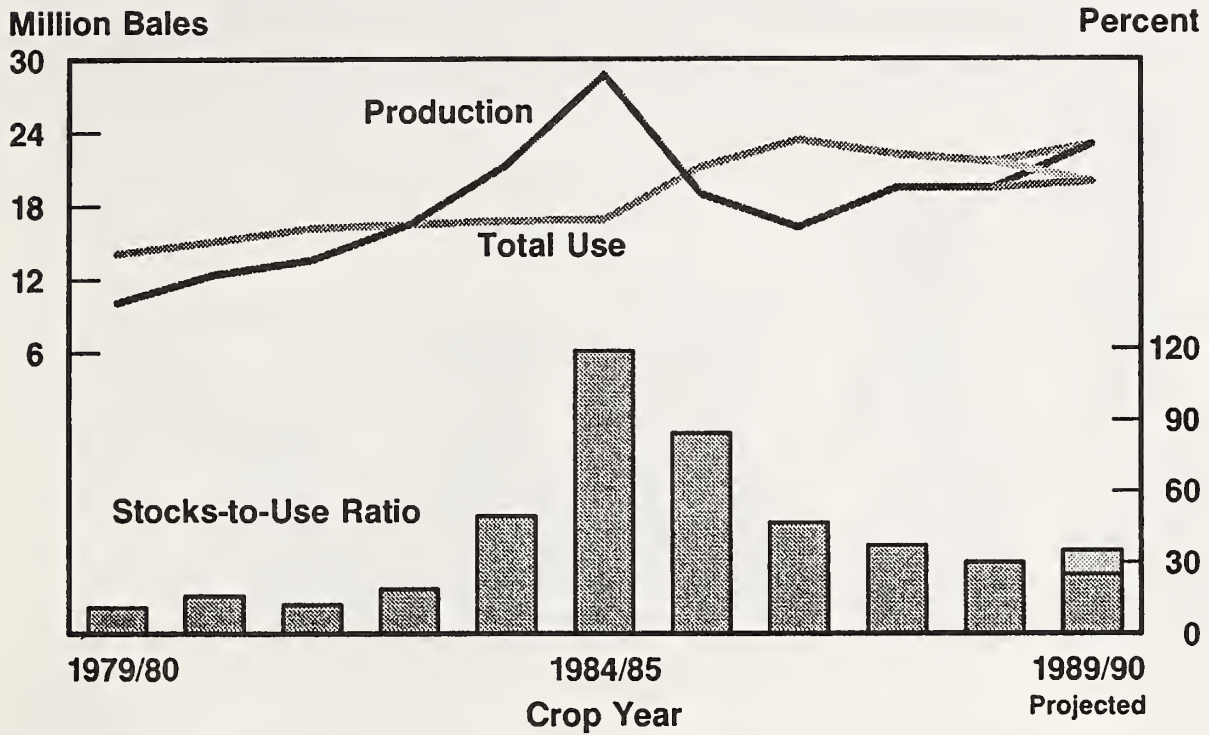


World Cotton Consumption and Imports

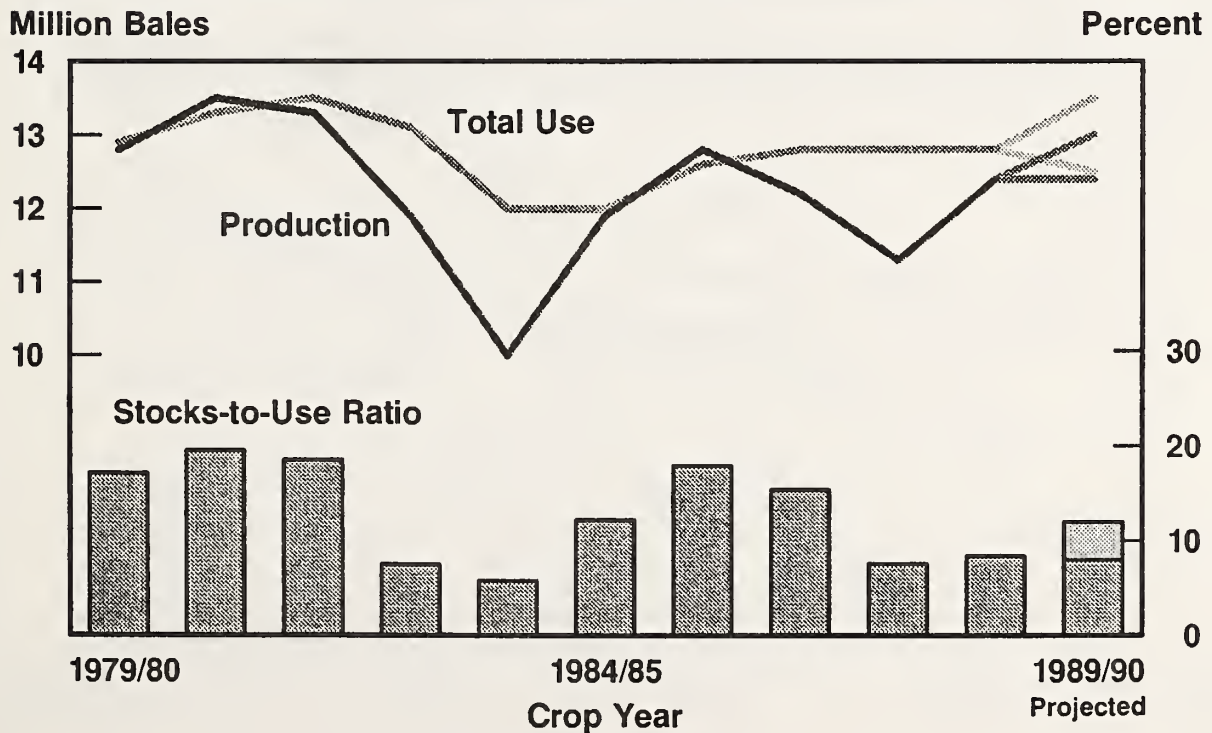
Million Bales



China's Cotton Supply and Demand

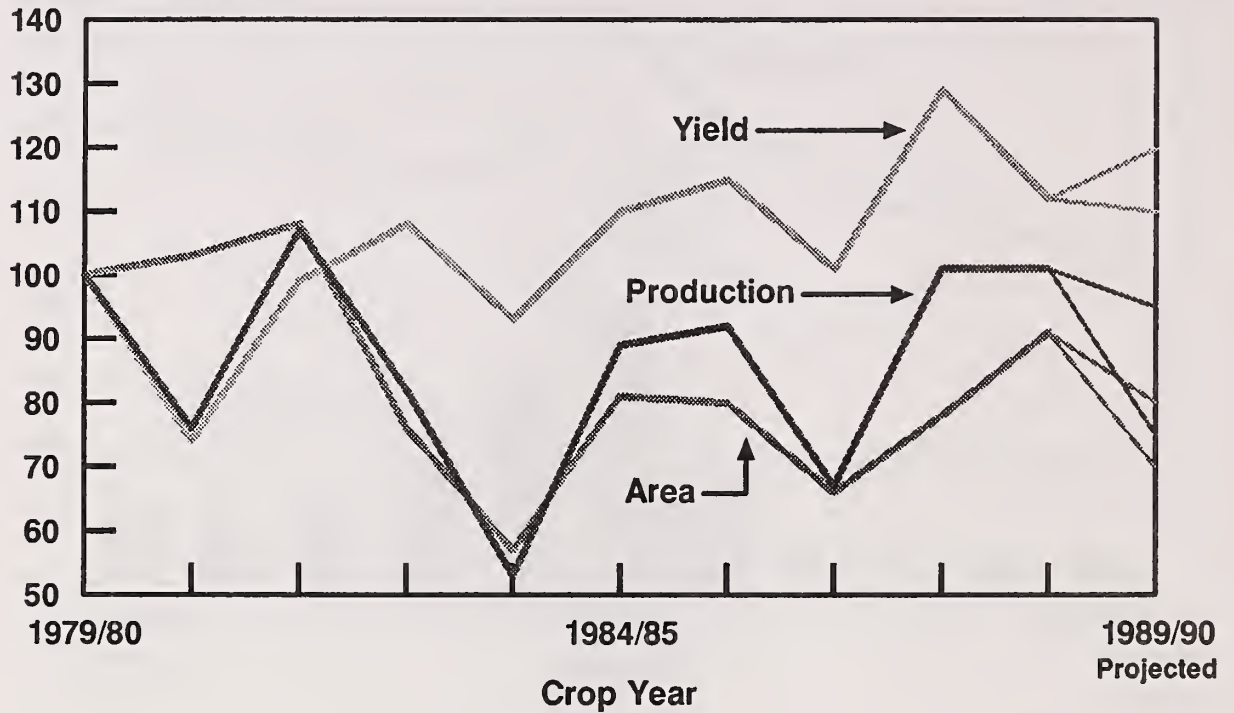


Soviet Cotton Supply and Demand



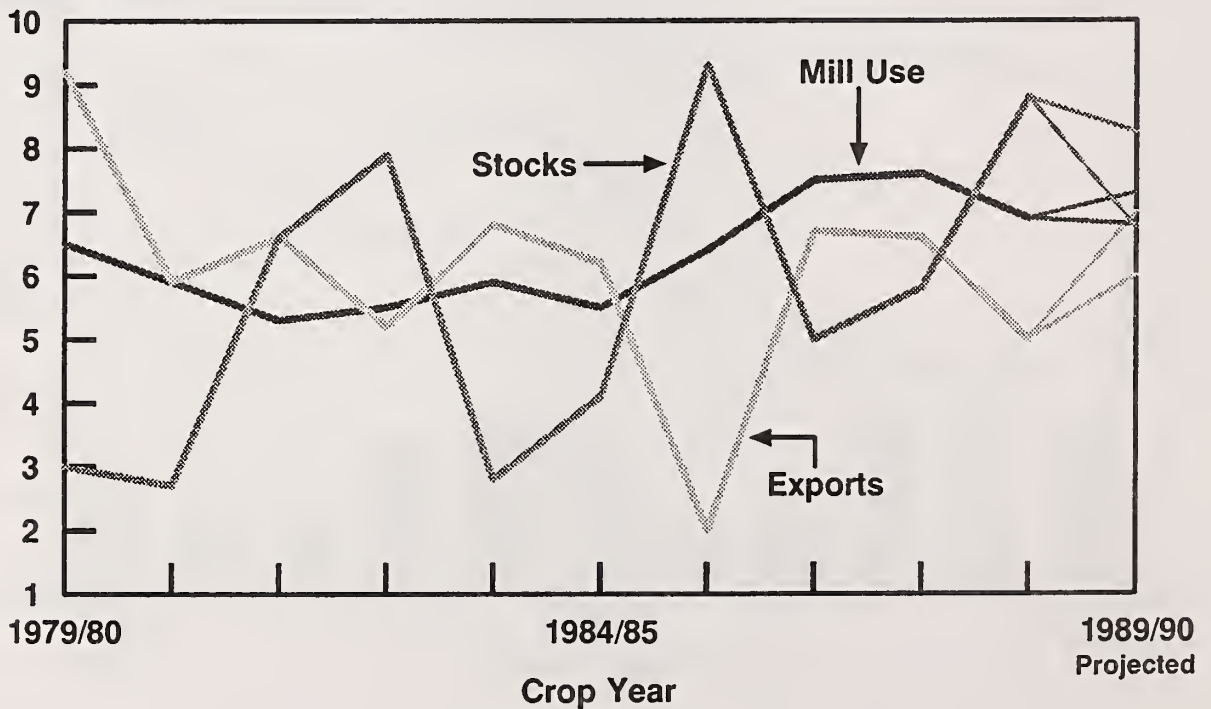
U.S. Cotton Area, Yield and Production

Percent of 1979/80



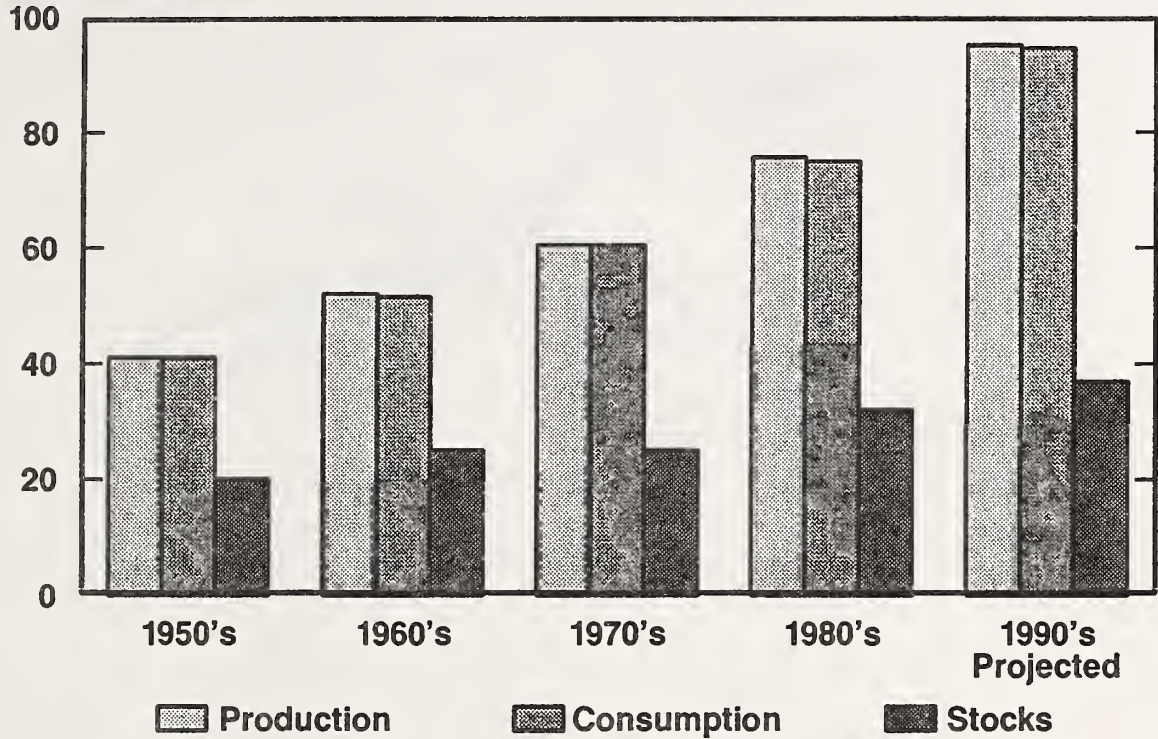
U.S. Cotton Disappearance and Stocks

Million Bales



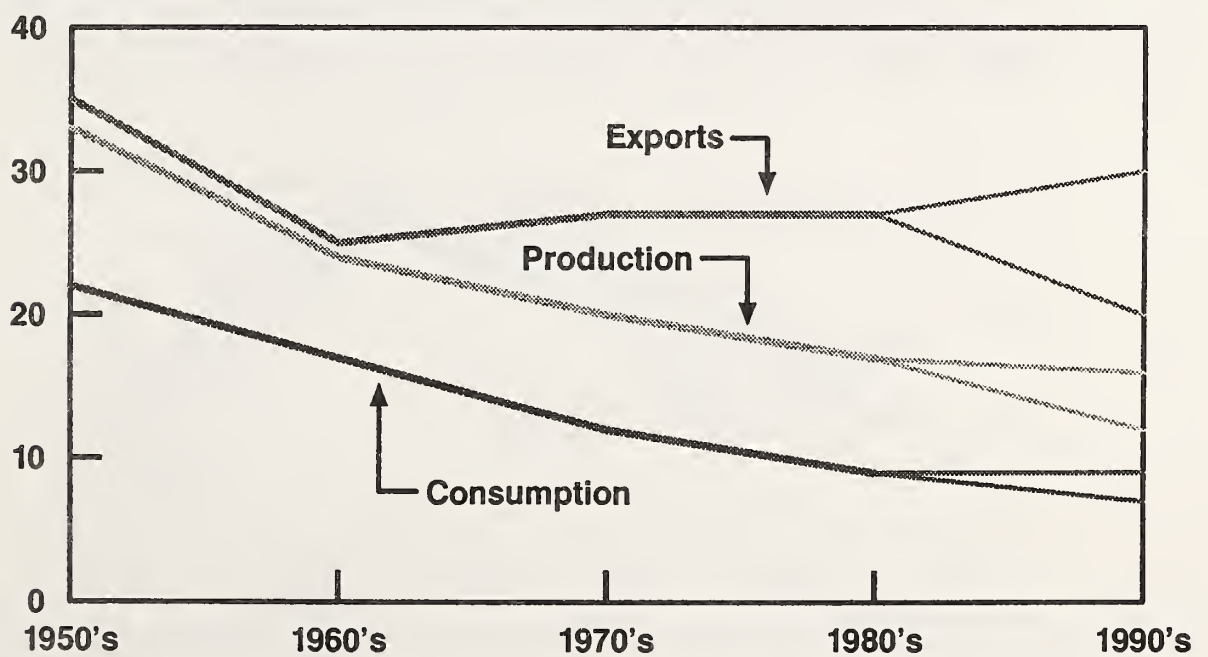
World Cotton Prospects for the 1990's

Million Bales



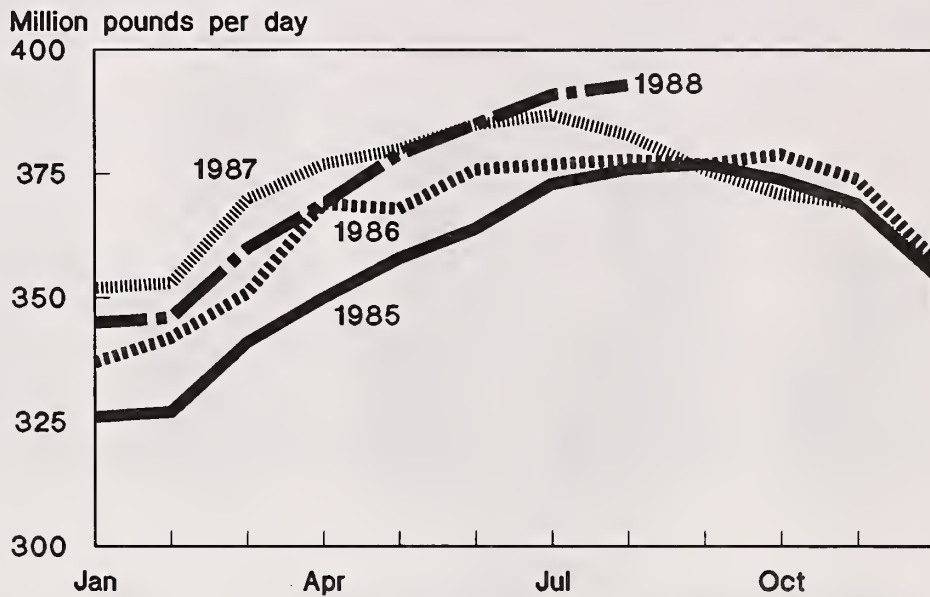
U.S. Share of World Cotton Total

Percent



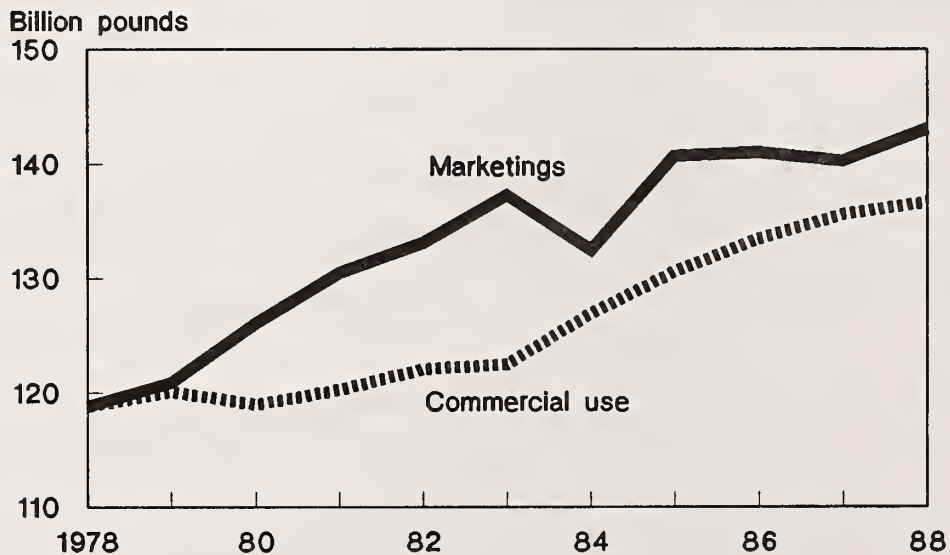


Commercial Use of All Dairy Products



Economic Research Service

Milk Marketings and Commercial Use

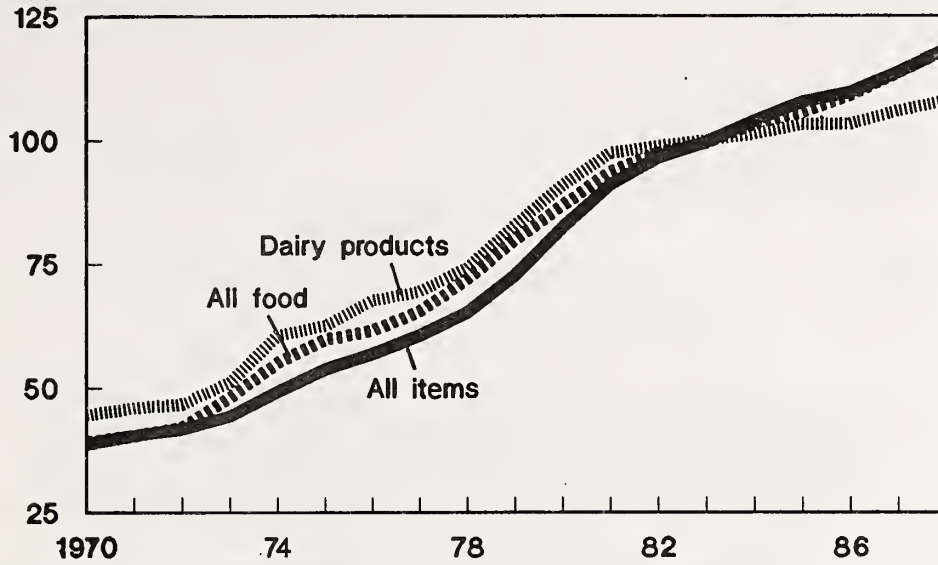


1988 estimated.

Economic Research Service

Retail Price Indexes

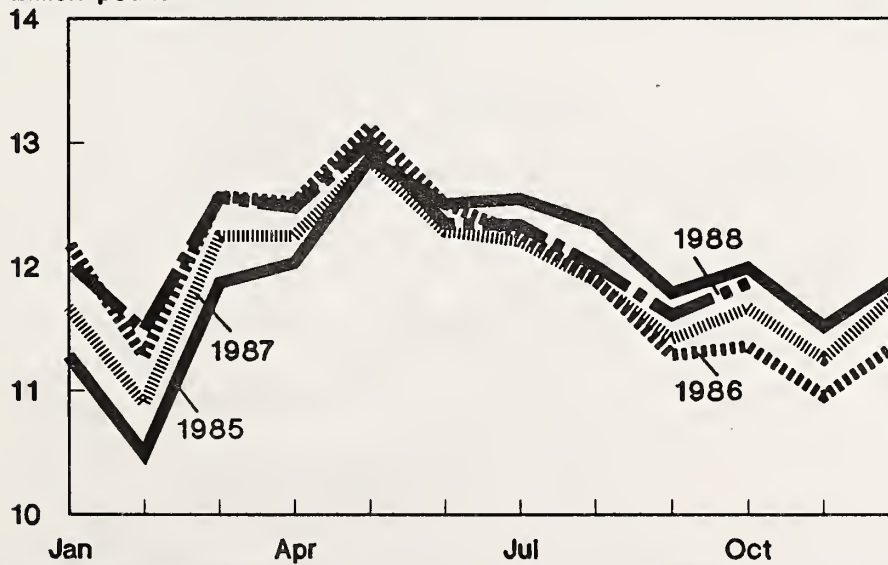
1982-84=100



Economic Research Service

U.S. Milk Production

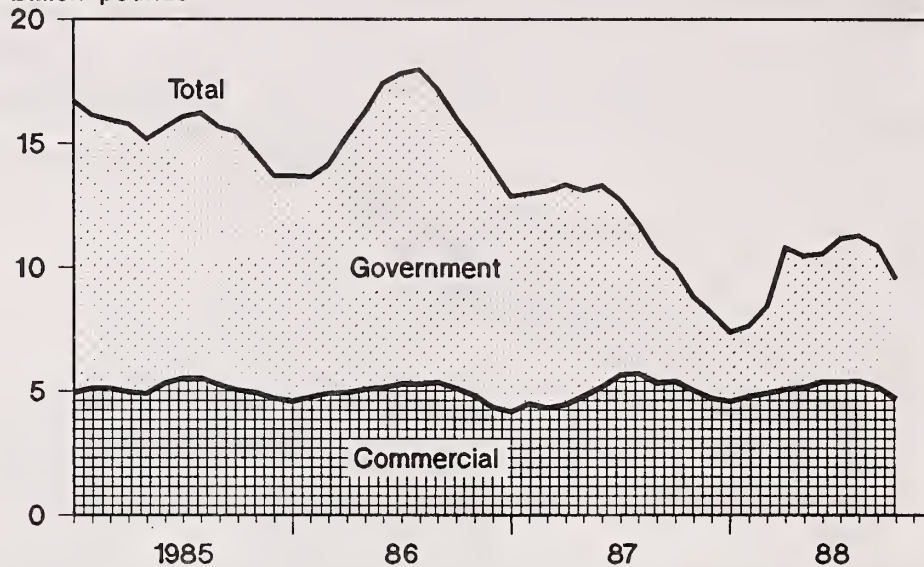
Billion pounds



Economic Research Service

Dairy Product Stocks

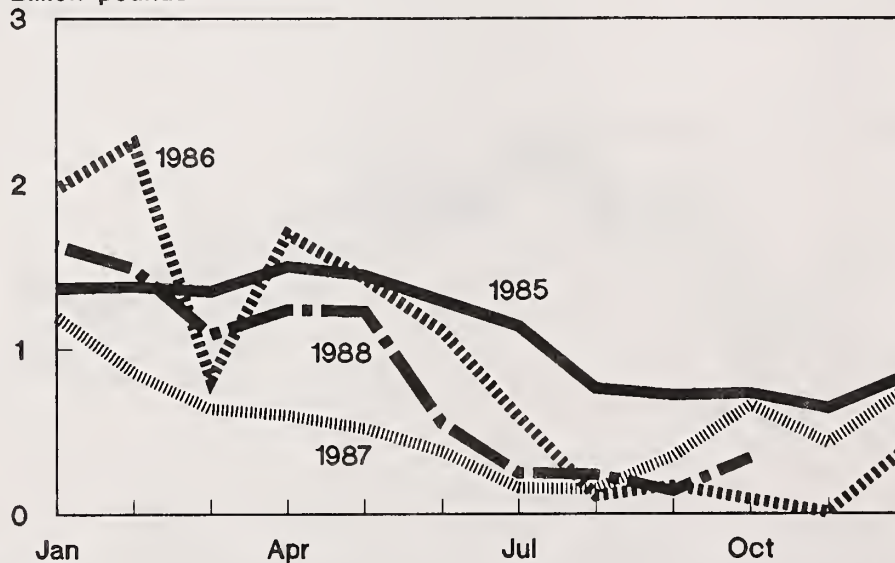
Billion pounds



Economic Research Service

USDA Dairy Product Purchases

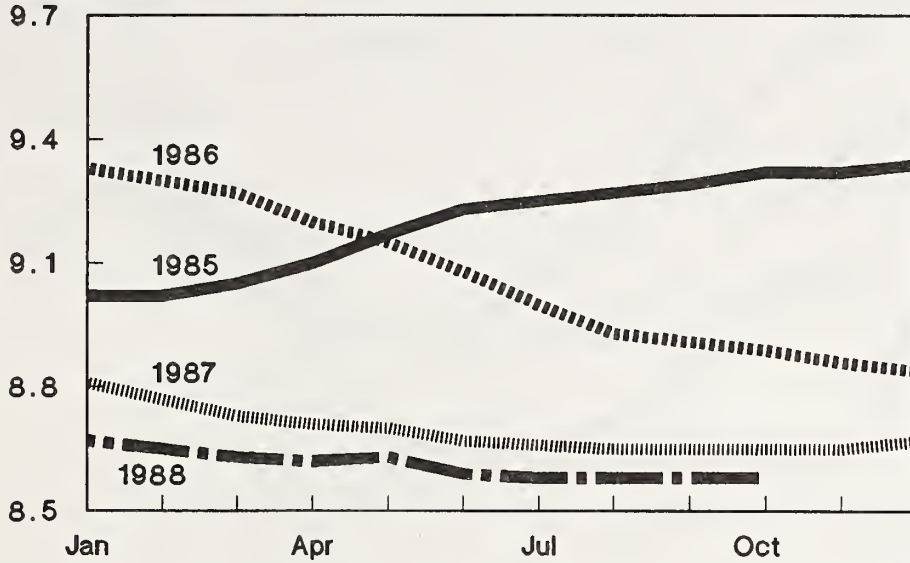
Billion pounds



Economic Research Service

Milk Cows on Farms, 21 States

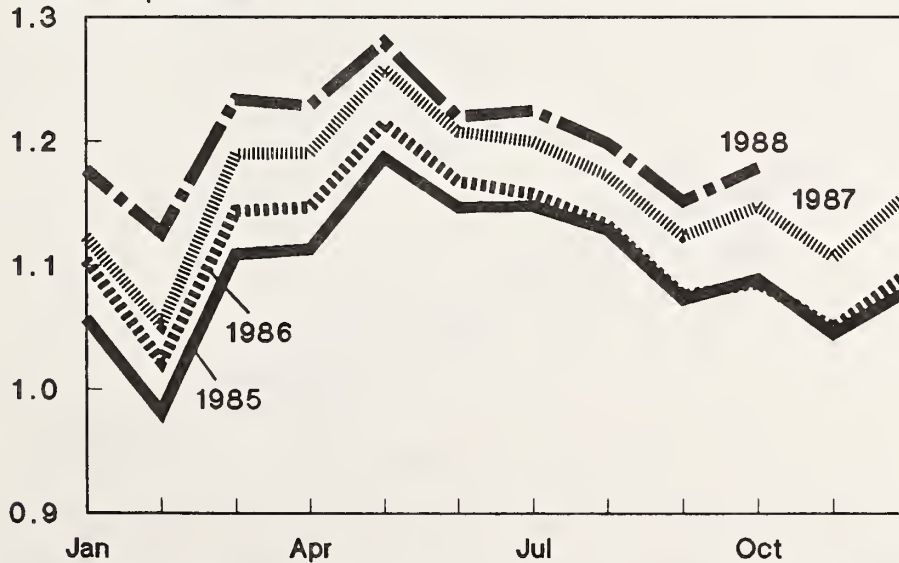
Million head



Economic Research Service

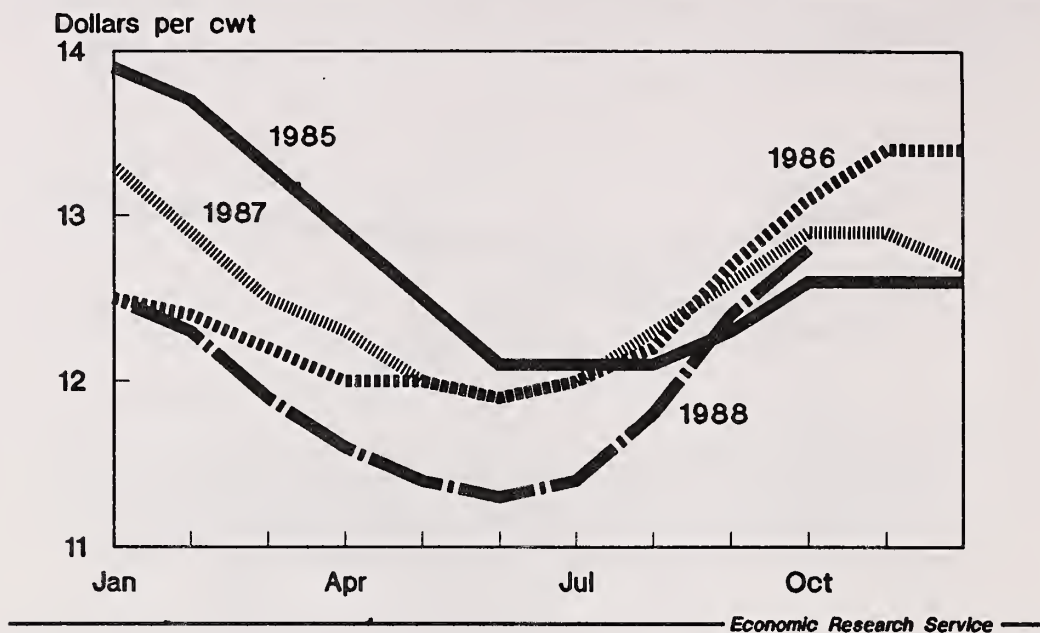
Milk Production per Cow, 21 States

Thousand pounds



Economic Research Service

All-Milk Price



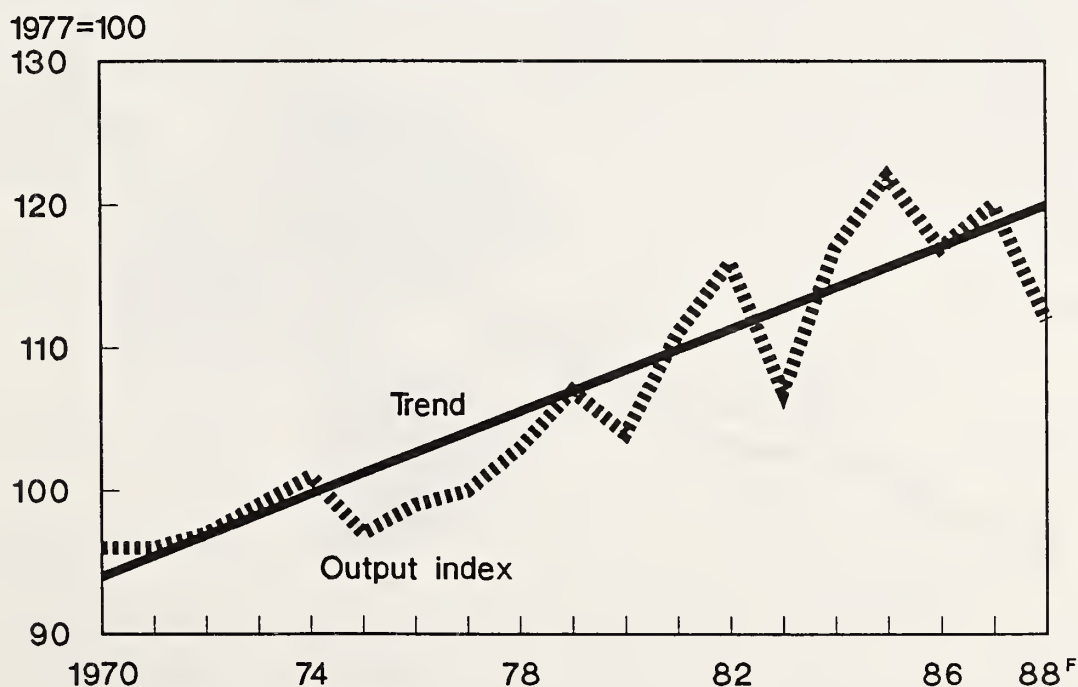


Industry at a Glance

	1987	1988
	Billion pounds	
Production	89.4	83.3
Net Trade	-3.4	-1.9
Per Capita Use (pounds)	321	319
Prices		
Grower, commercial (1977=100)	144	140
Retail, fresh (1982-84=100)	122	128
Retail, processed (1982-84=100)	107	111

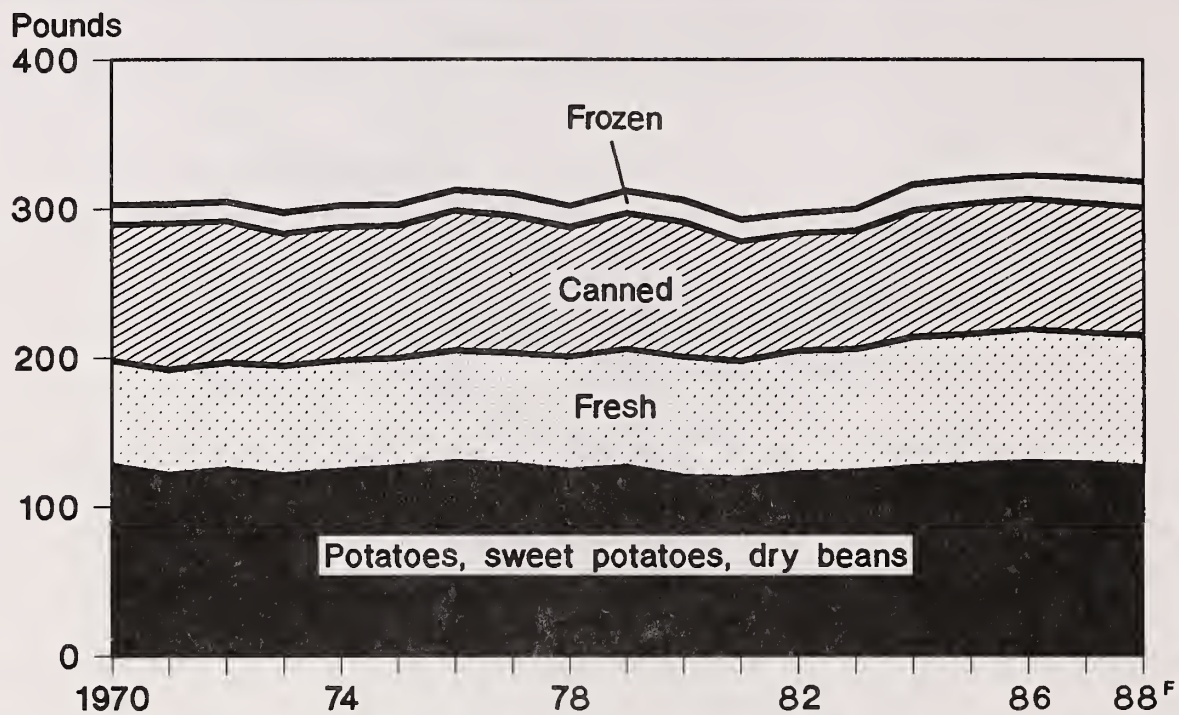
Economic Research Service

Vegetable Production



Economic Research Service

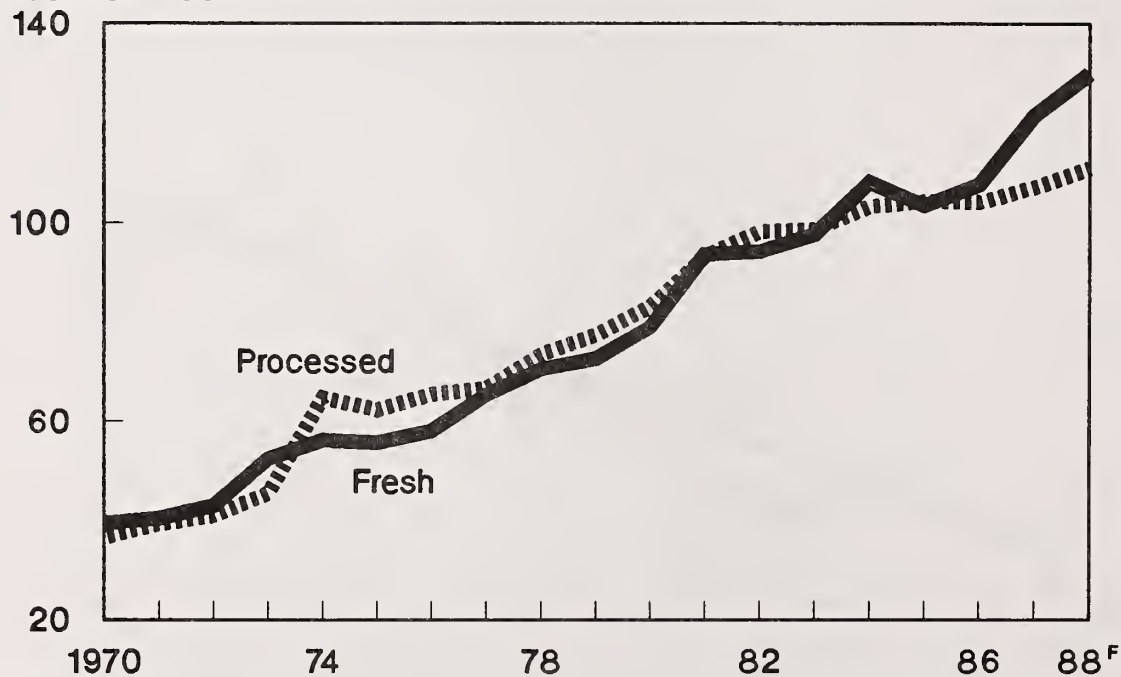
Per Capita Utilization of Vegetables



Economic Research Service

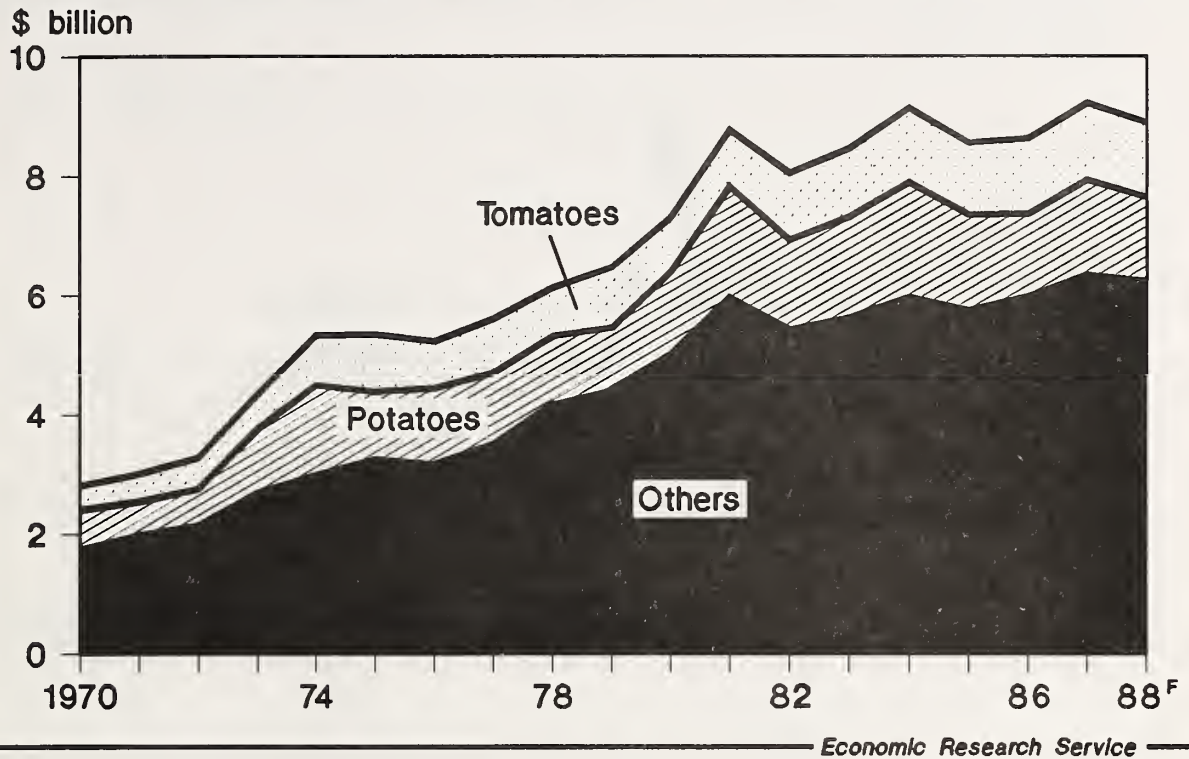
Retail Vegetable Prices

1982-84=100

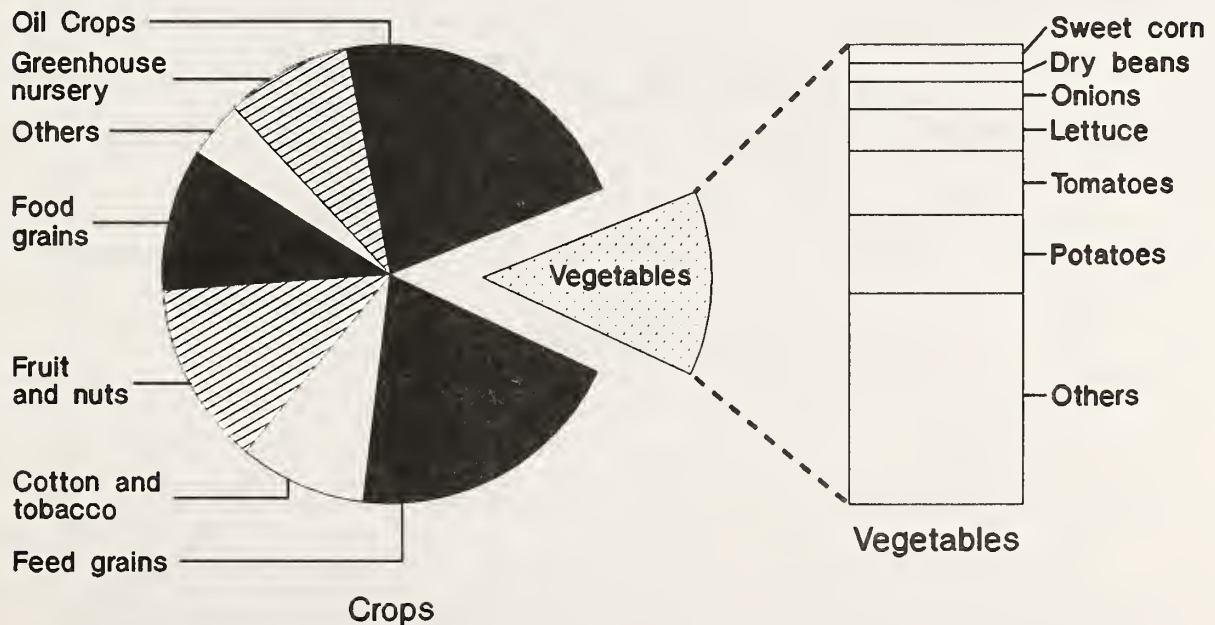


Economic Research Service

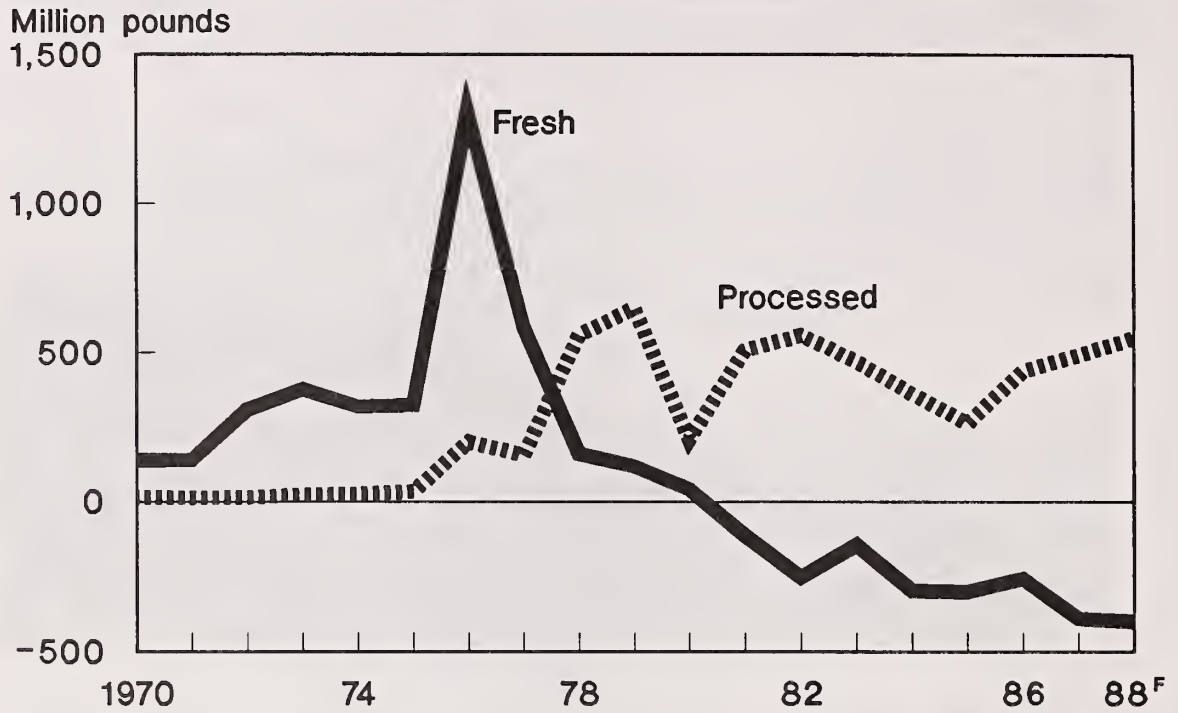
Vegetable Cash Receipts



Crop and Vegetable Cash Receipts, 1988

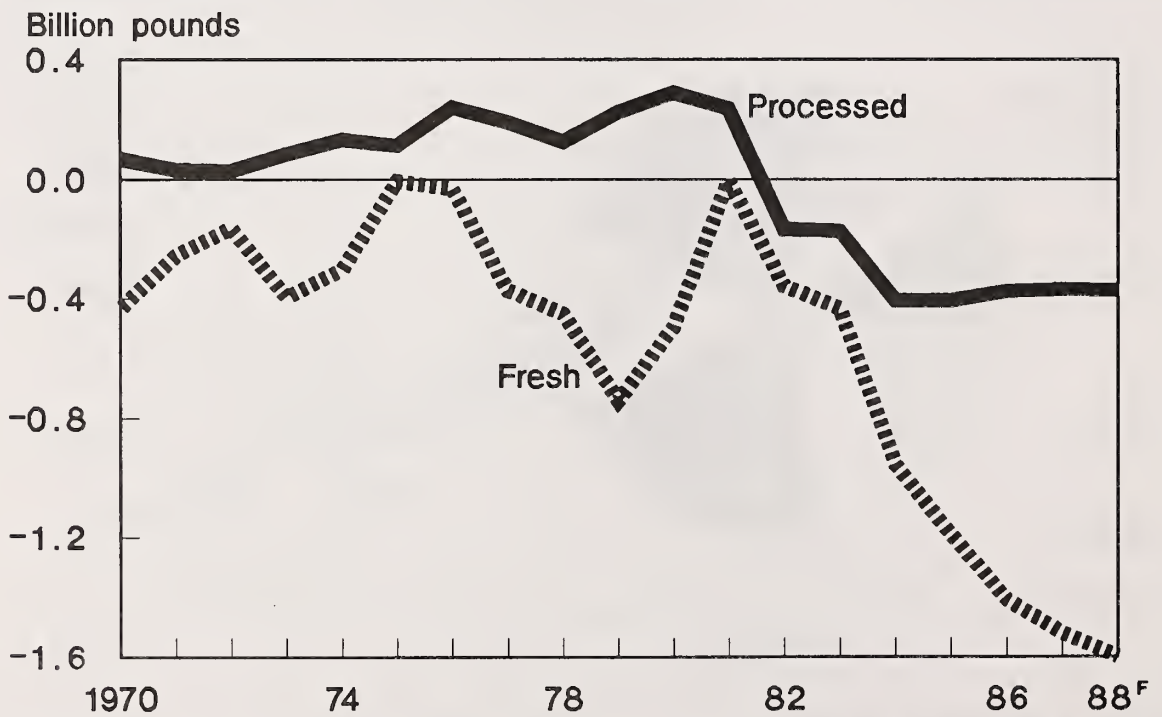


Net Trade in Potatoes



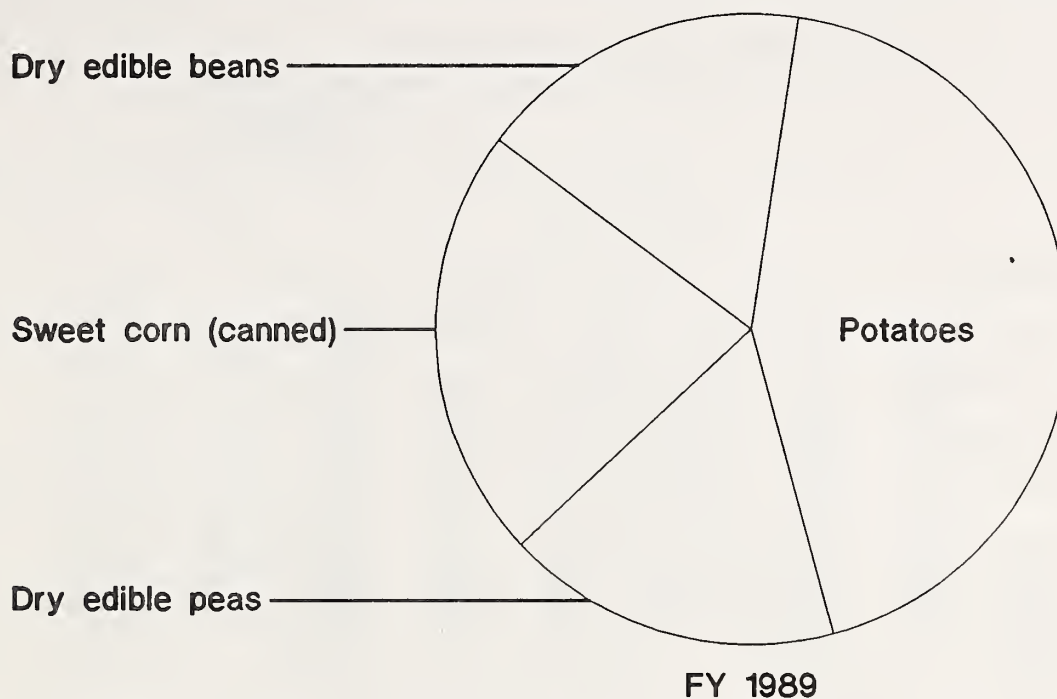
Economic Research Service

Net Trade in Vegetables



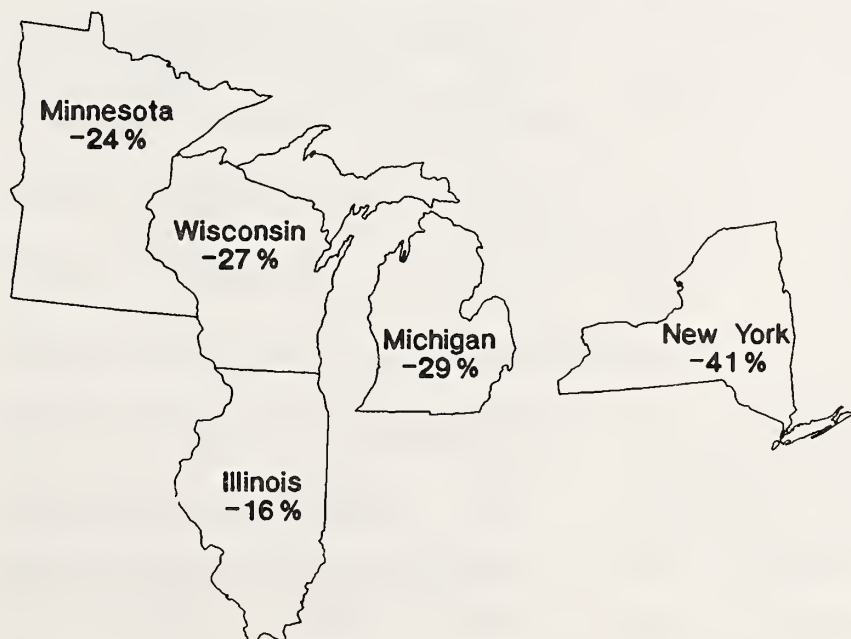
Economic Research Service

Vegetables' Share of Targeted Export Assistance



Economic Research Service

Impact of Drought on Processing Production



Percent decline from 1987 for sweet corn, snapbeans, and green peas.

Economic Research Service



U.S. Citrus Production

	1979/80	1987/88	1988/89	Change from	
				1979/80	1987/88
	1,000 short tons			Percent	
Oranges	11,832	8,457	9,288	-22	10
Navels	6,658	4,777	5,393	-19	13
Valencias	5,174	3,680	3,895	-25	6
Grapefruit	2,875	2,623	2,769	-4	6
Lemons	789	785	863	9	10
Tangelos	288	189	176	-39	-7
Tangerines	408	212	217	-47	2
Temples	270	160	171	-37	7
Total	16,462	12,426	13,484	-18	8

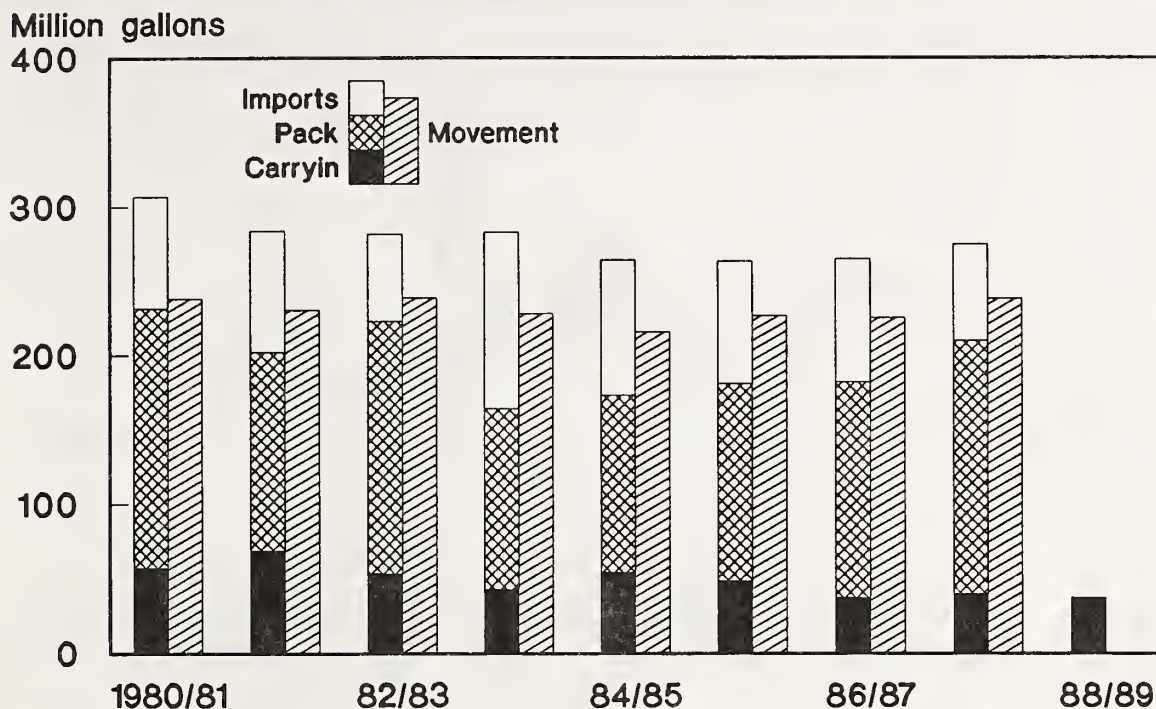
Economic Research Service

U.S. Production of Selected Noncitrus Fruit

	1986	1987	1988	Change from	
				1986	1987
	1,000 short tons			Percent	
Apples	3,967	5,271	4,067	3	-23
Apricots	55	115	101	84	-12
Cherries	250	390	272	9	-30
Grapes	5,226	5,264	5,457	4	4
Nectarines	172	191	195	13	2
Peaches	1,164	1,214	1,264	9	4
Pears	766	940	798	4	-15
Plums/Prunes	491	978	812	62	-19
Strawberries	510	534	562	10	5
Total	12,601	14,897	13,528	7	-9

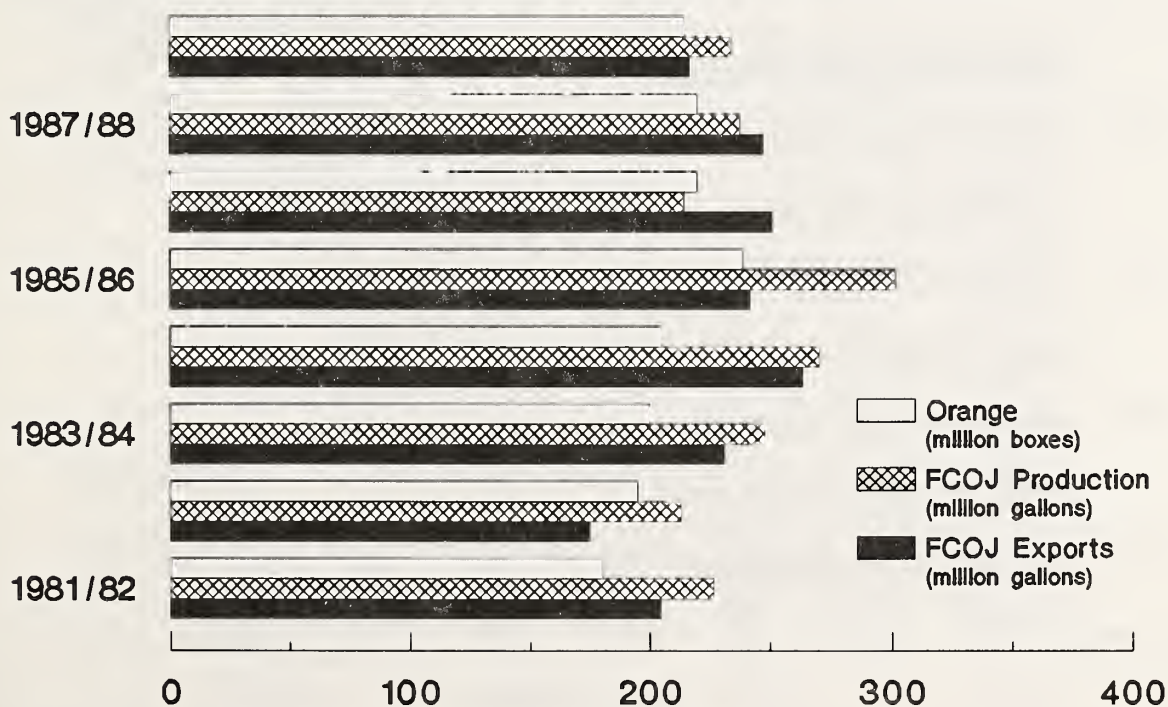
Economic Research Service

Florida Supply and Movement of FCOJ



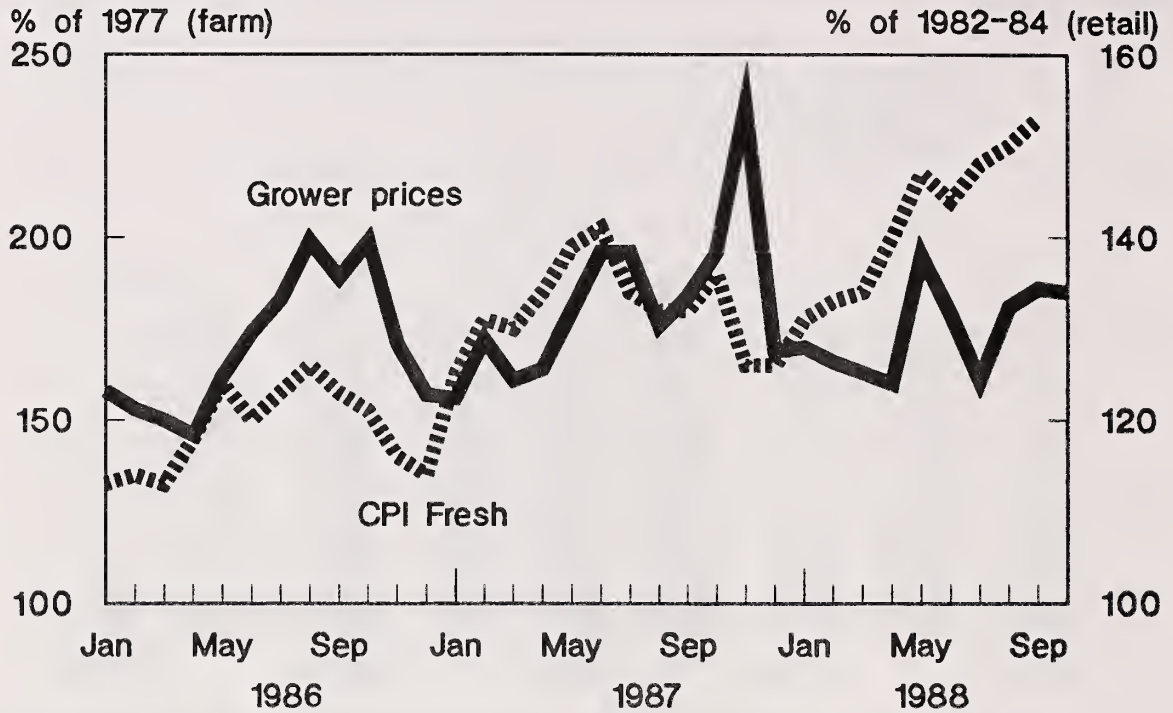
Economic Research Service

Brazilian Orange and FCOJ Production, Exports



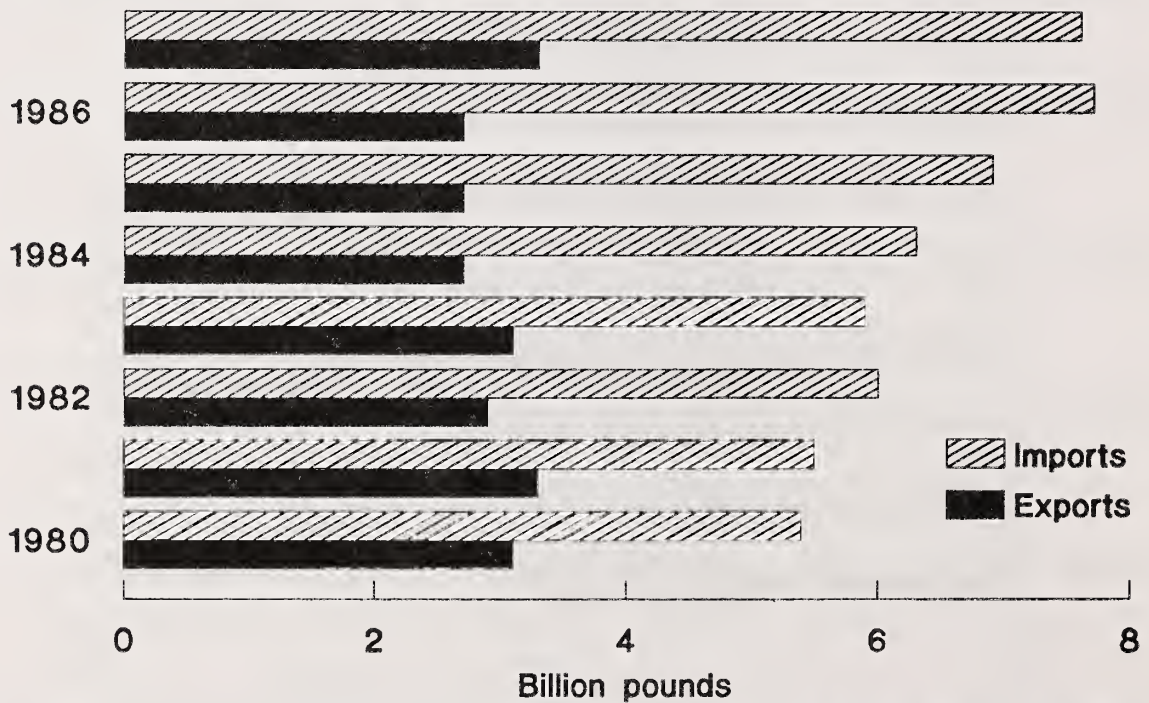
Economic Research Service

U.S. Fruit Prices



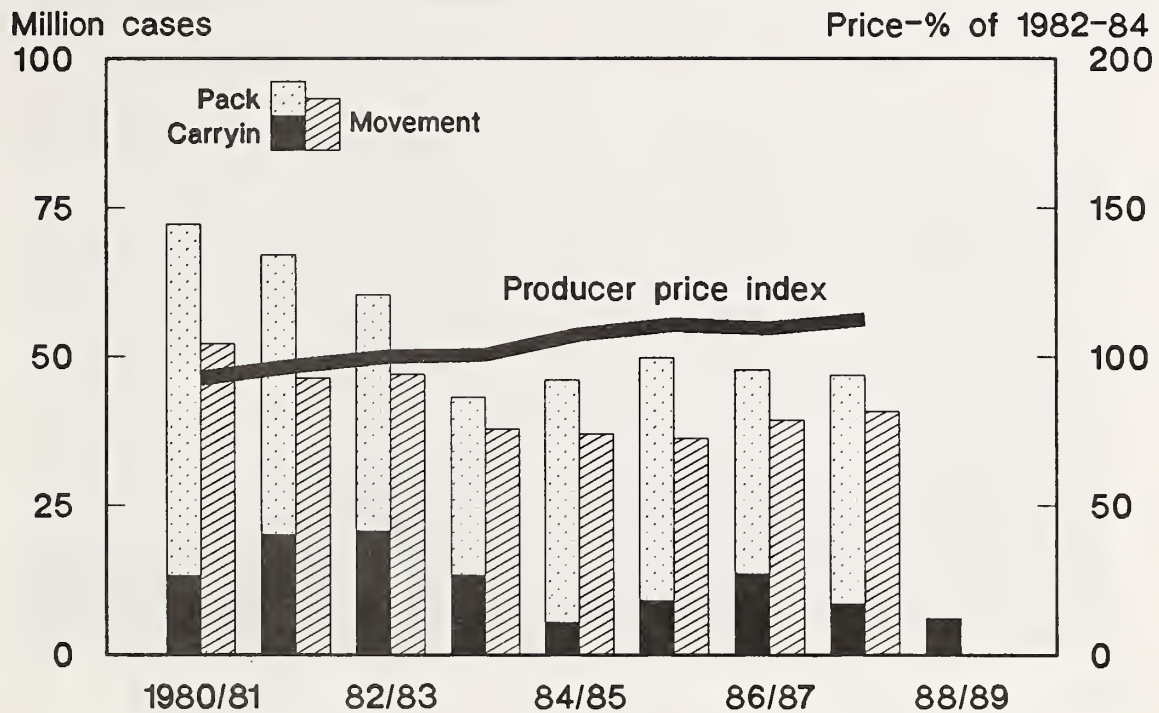
Economic Research Service

U.S. Trade in Fresh Fruit



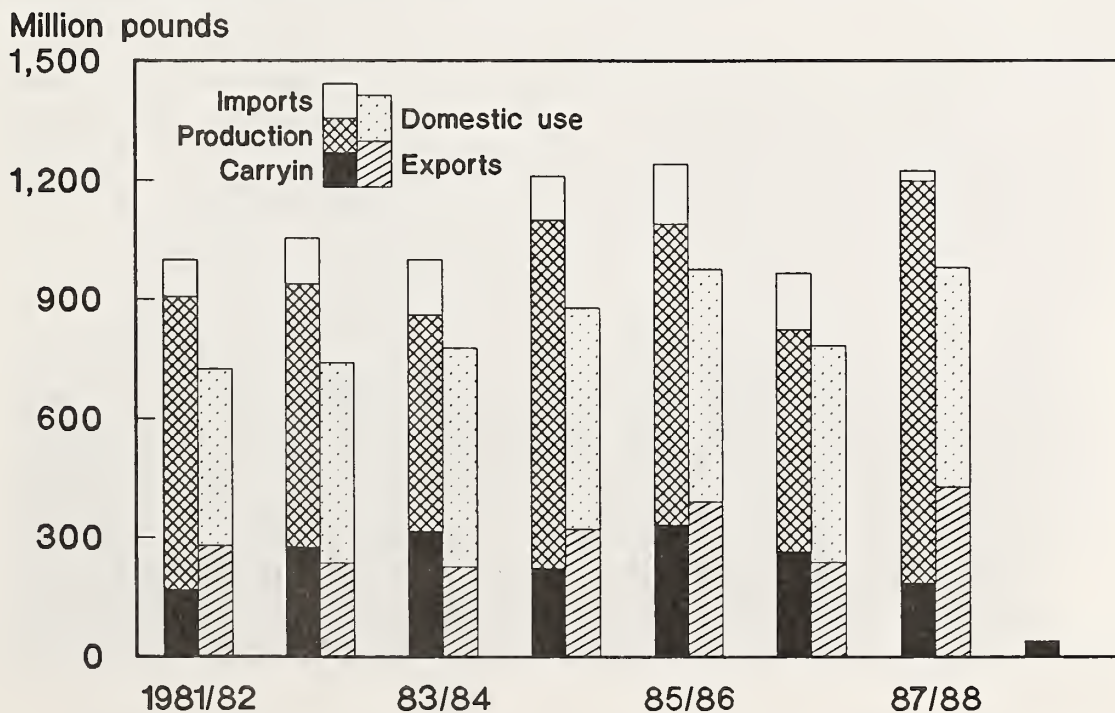
Economic Research Service

U.S. Supply, Movement and Producer Price of Canned Fruit



Economic Research Service

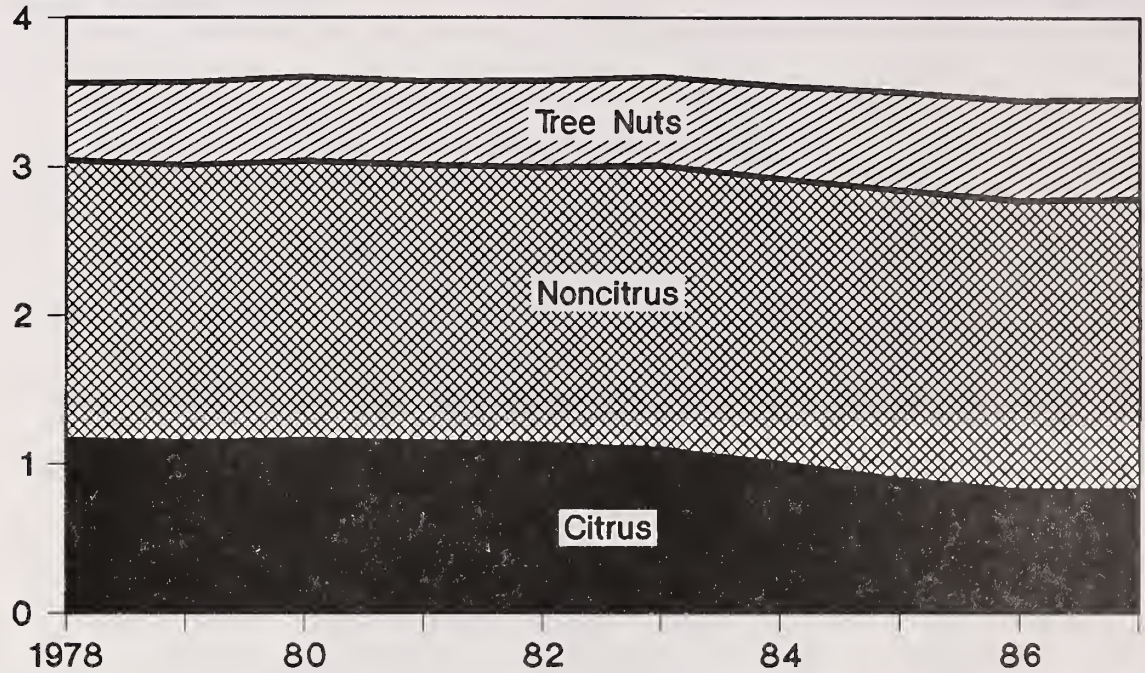
U.S. Supply and Movement of Tree Nuts



Economic Research Service

Bearing Acreage of Fruit and Tree Nuts

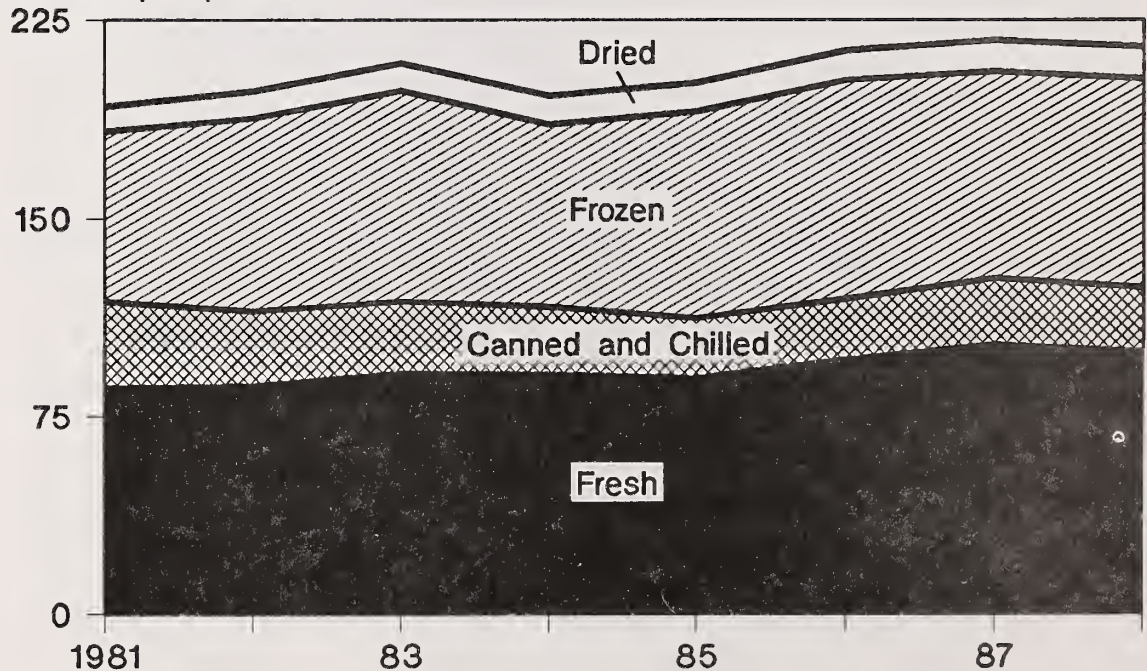
Million acres



Economic Research Service

Per Capita Fruit Consumption

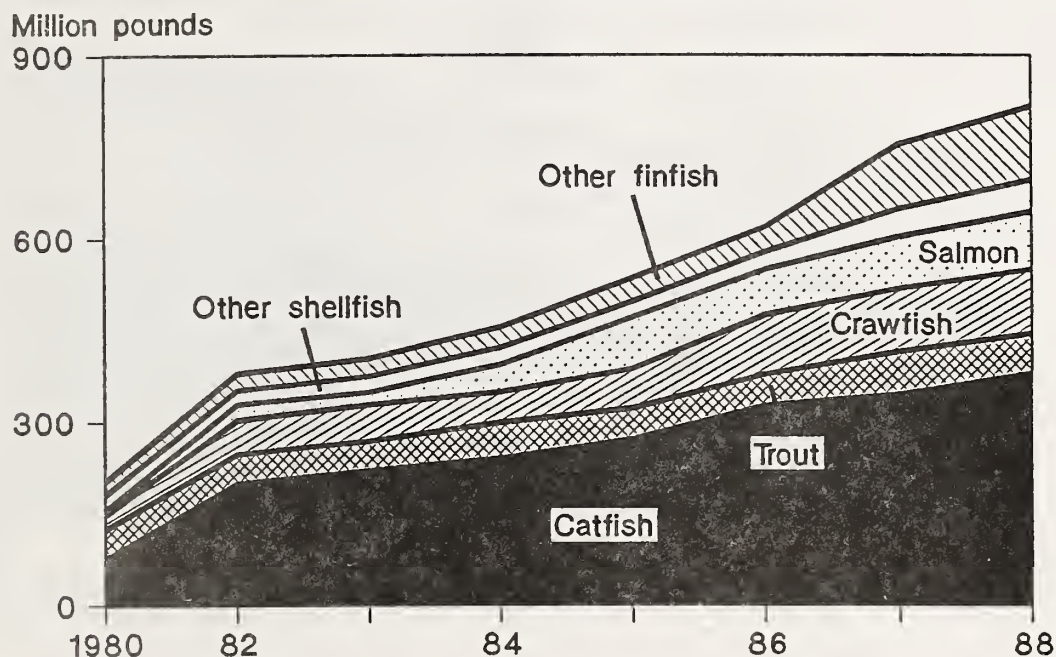
Pounds per person



Economic Research Service

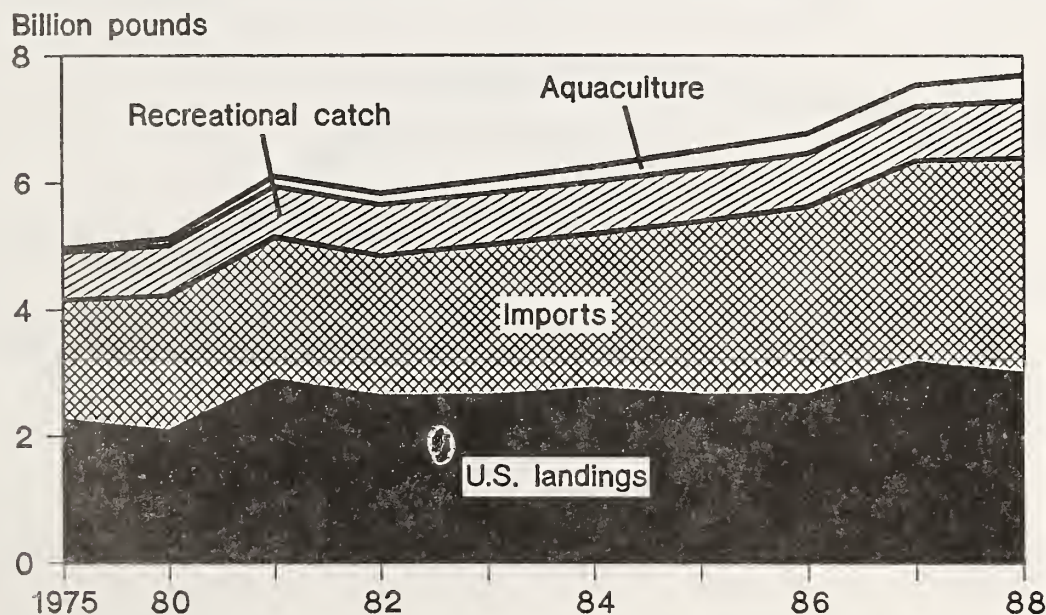


U.S. Aquacultural Production



Economic Research Service

U.S. Edible Fishery Products

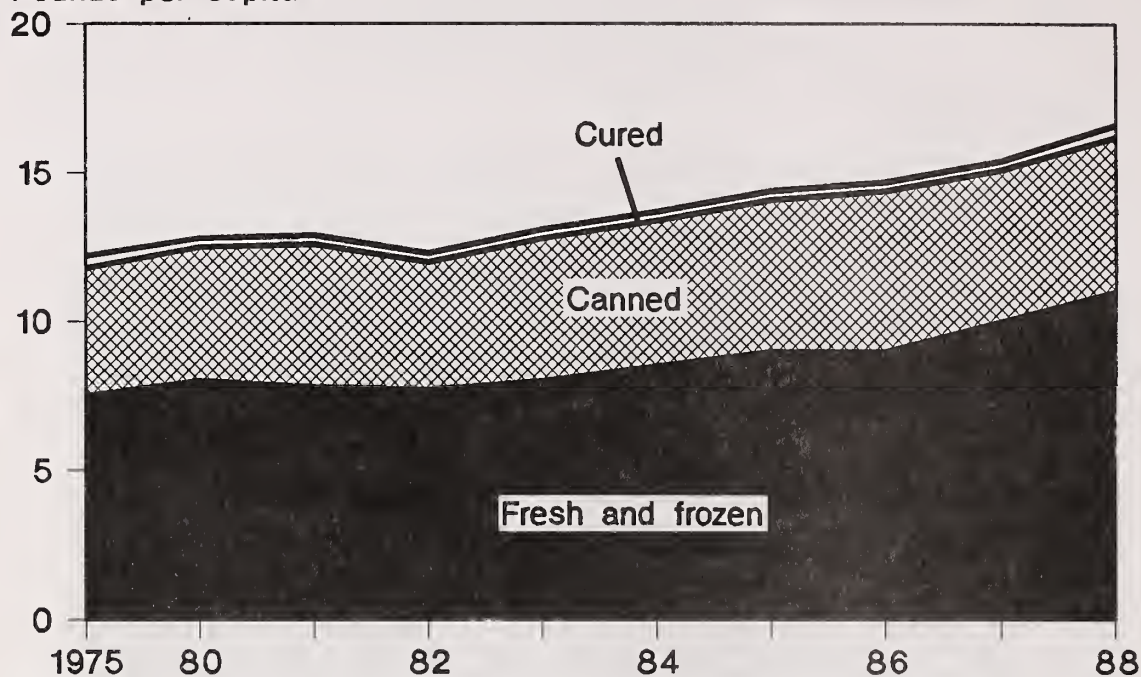


U.S. landings minus exports.

Economic Research Service

U.S. Consumption of Fishery Products

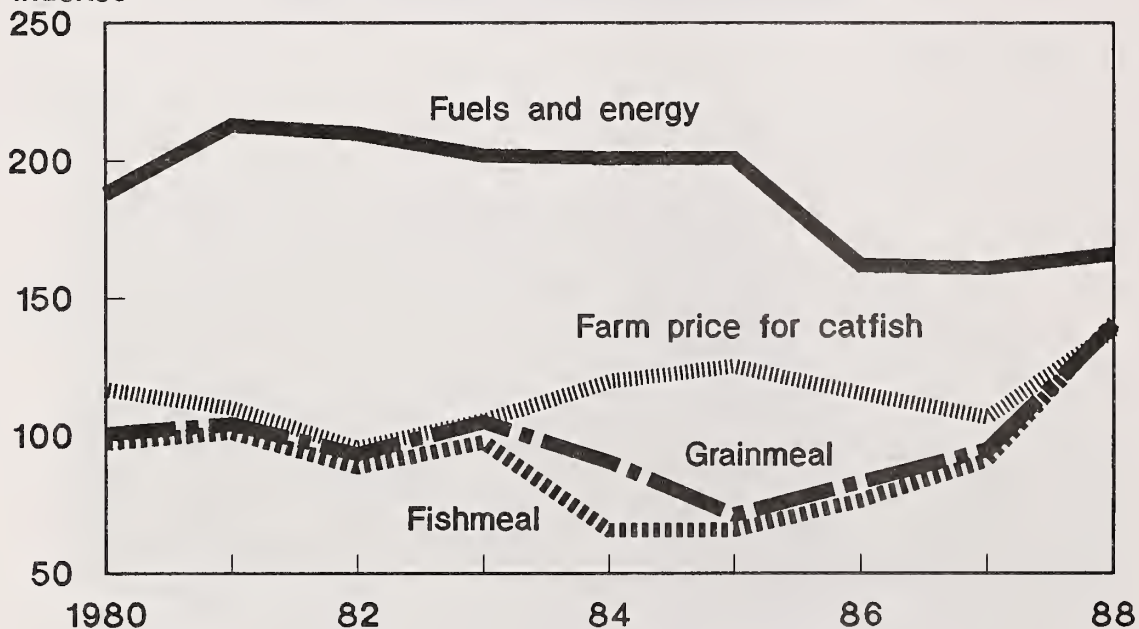
Pounds per capita



Economic Research Service

Selected Input Costs and Fish Prices

Indexes



1977=100

Economic Research Service

Demand Factors for Fishery Products

	Own price elasticity	Cross price elasticity (Red meat)
Shellfish	-.8850	.0265
Finfish	-.6746	.0184

Economic Research Service

Demand Factors for Fishery Products

Demand coefficients

	Household income
Fresh	.467
Frozen	.303
Canned	.192

Economic Research Service

Demand Factors for Fishery Products

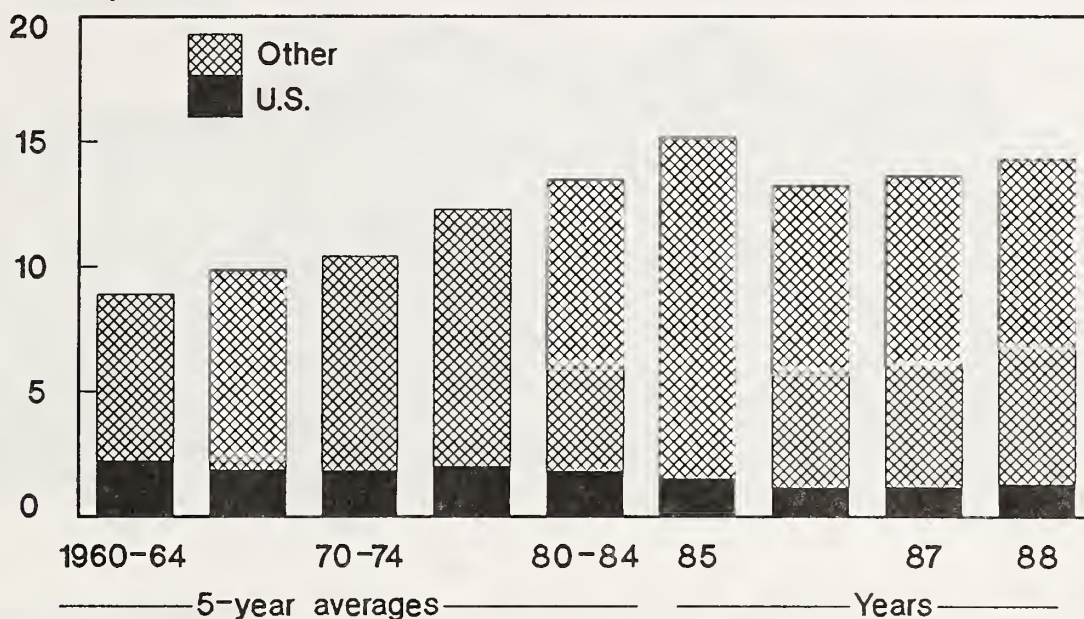
	Demand coefficients	
	Household income	Household size
Shellfish	.1114	.1315
Finfish	.1405	.3260

Economic Research Service



U.S. and World Tobacco Production

Billion pounds*

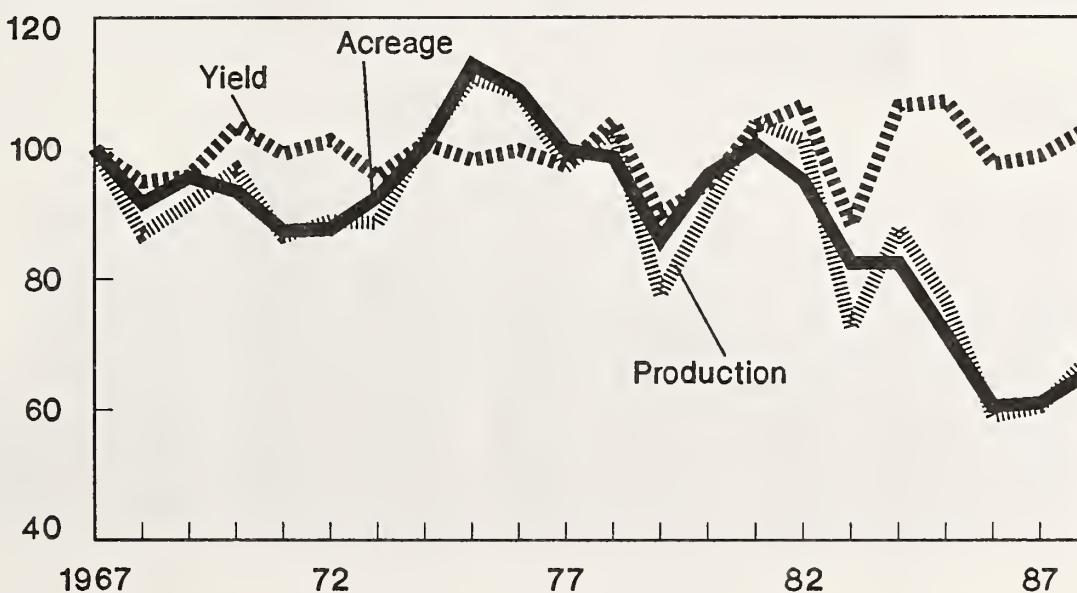


* Farm-sales weight. Latest year projected.

Economic Research Service

Tobacco Acreage, Yield, and Production

Percent of 1967

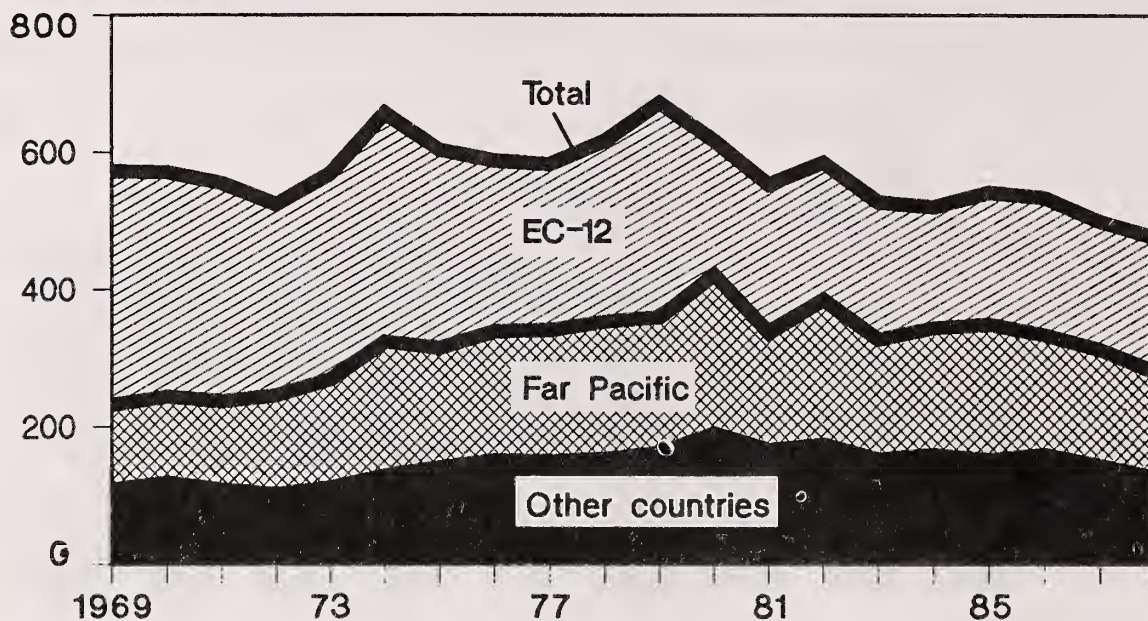


Latest year estimate.

Economic Research Service

Export Markets for U.S. Tobacco

Million pounds

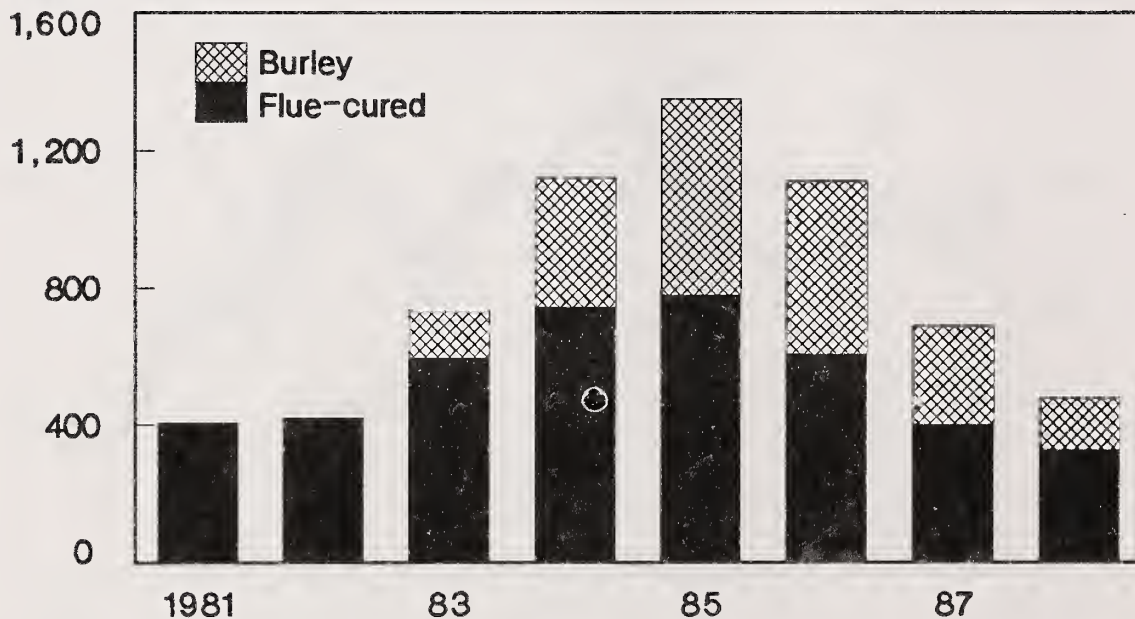


Unmanufactured, declared weight. Year ending June 30.

Economic Research Service

Unsold Flue-Cured and Burley Loan Stocks

Million pounds

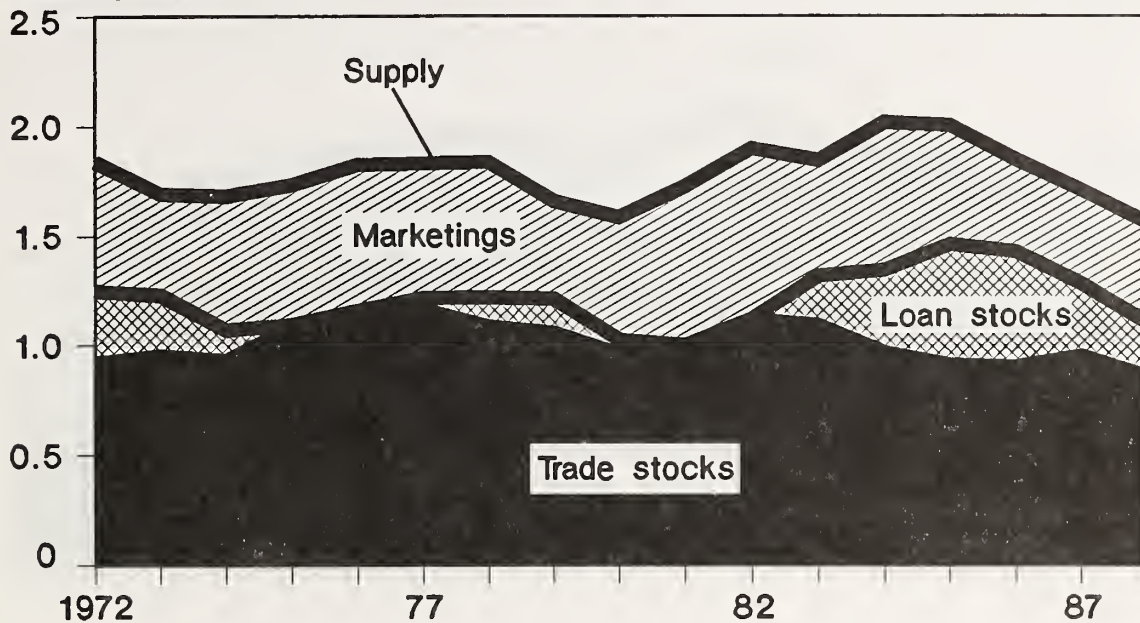


Stocks as of the end of August.

Economic Research Service

Burley Tobacco Supply

Billion pounds

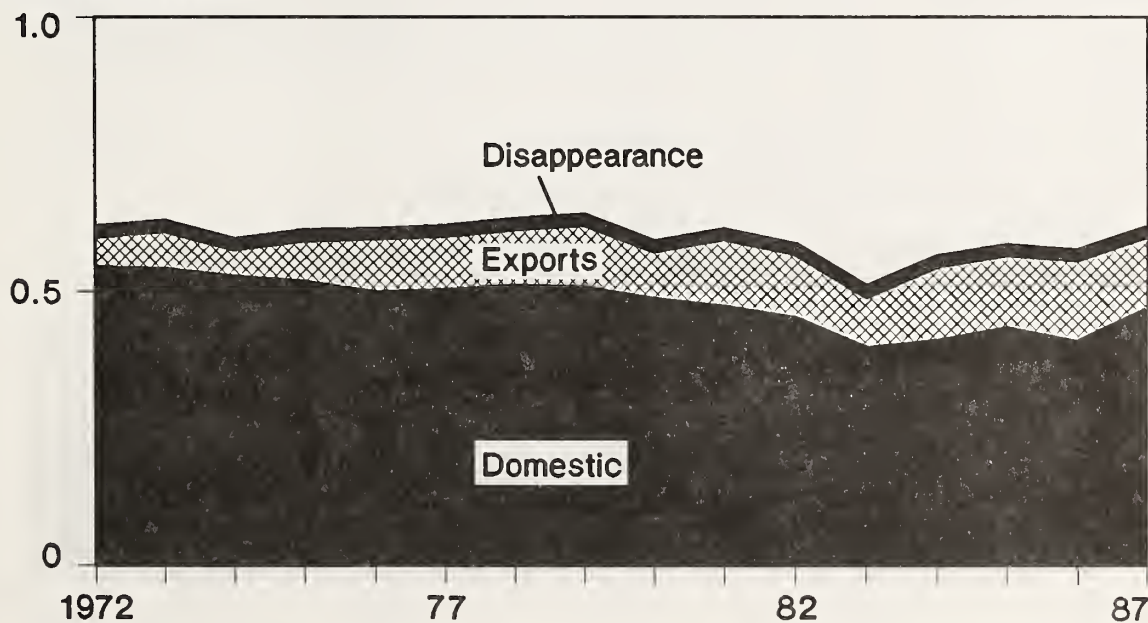


Trade stocks include manufacturers' and dealers'.

Economic Research Service

Burley Use

Billion pounds

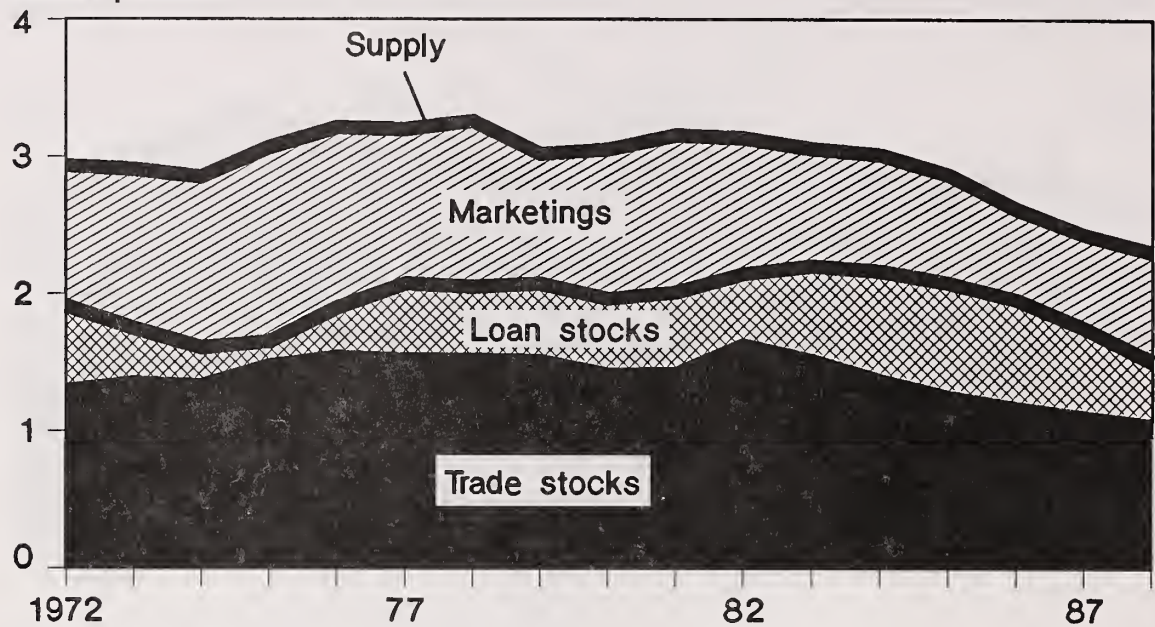


Crop year beginning October 1.

Economic Research Service

Flue-Cured Tobacco Supply

Billion pounds

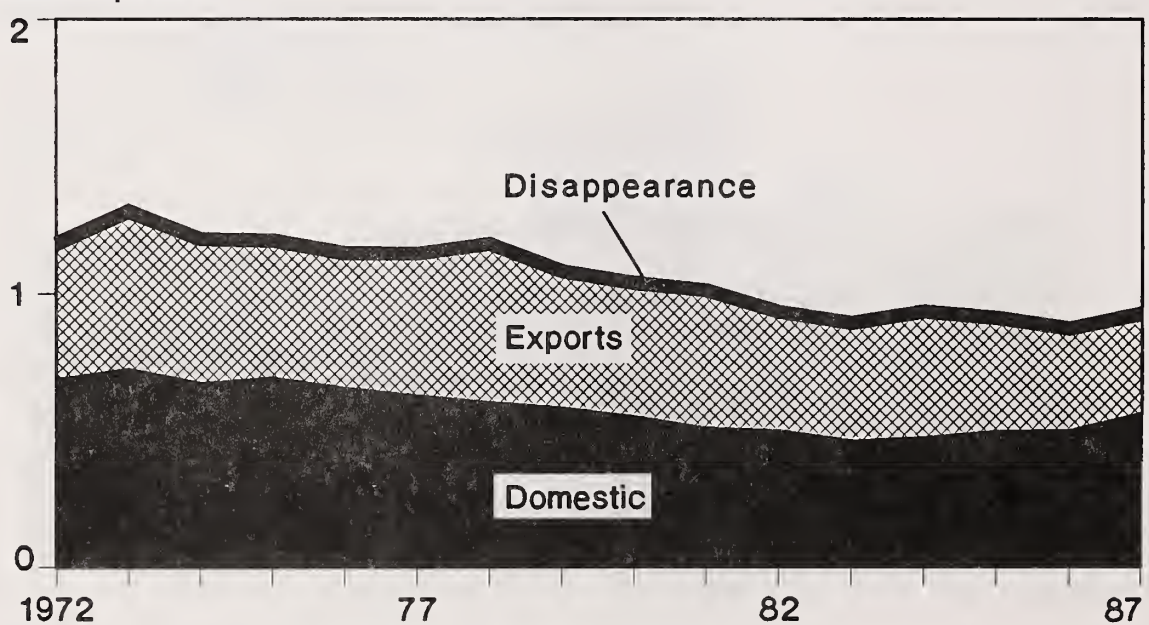


Trade stocks include manufacturers' and dealers'.

Economic Research Service

Flue-Cured Use

Billion pounds

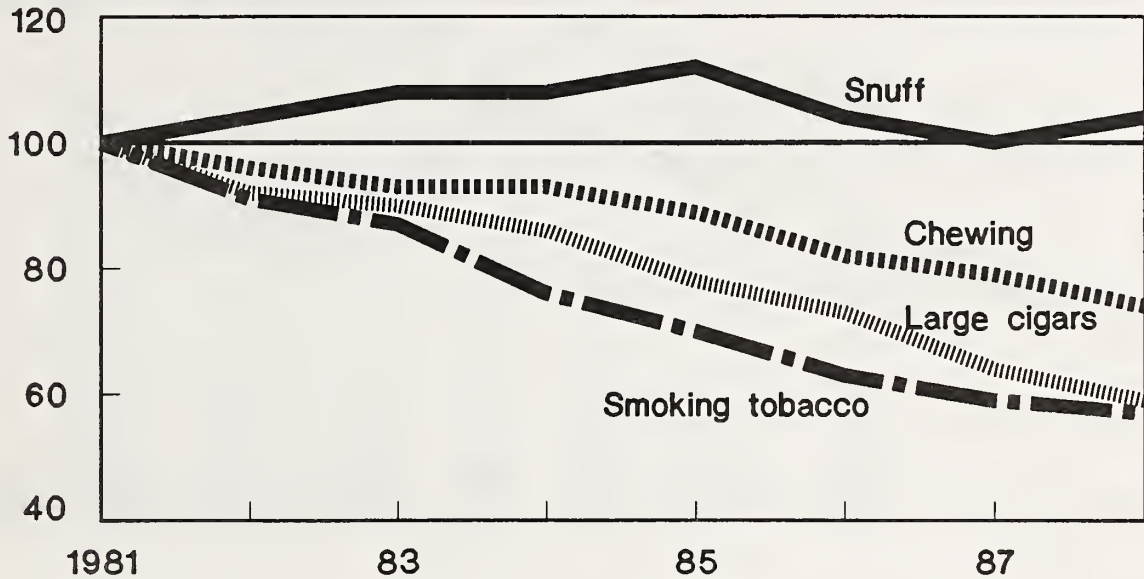


Crop year beginning July 1.

Economic Research Service

Per Capita Consumption of Tobacco Products

Percent of 1981

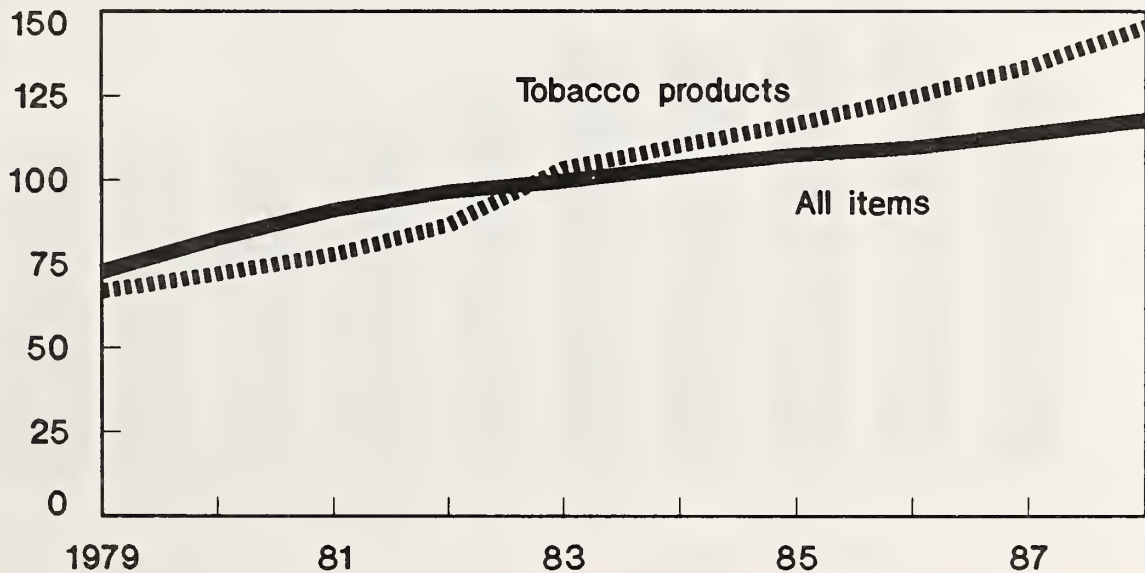


1988 preliminary. Per male 18 and over, except snuff per person 18 and over.

Economic Research Service

Consumer Price Index and Tobacco-Product Prices

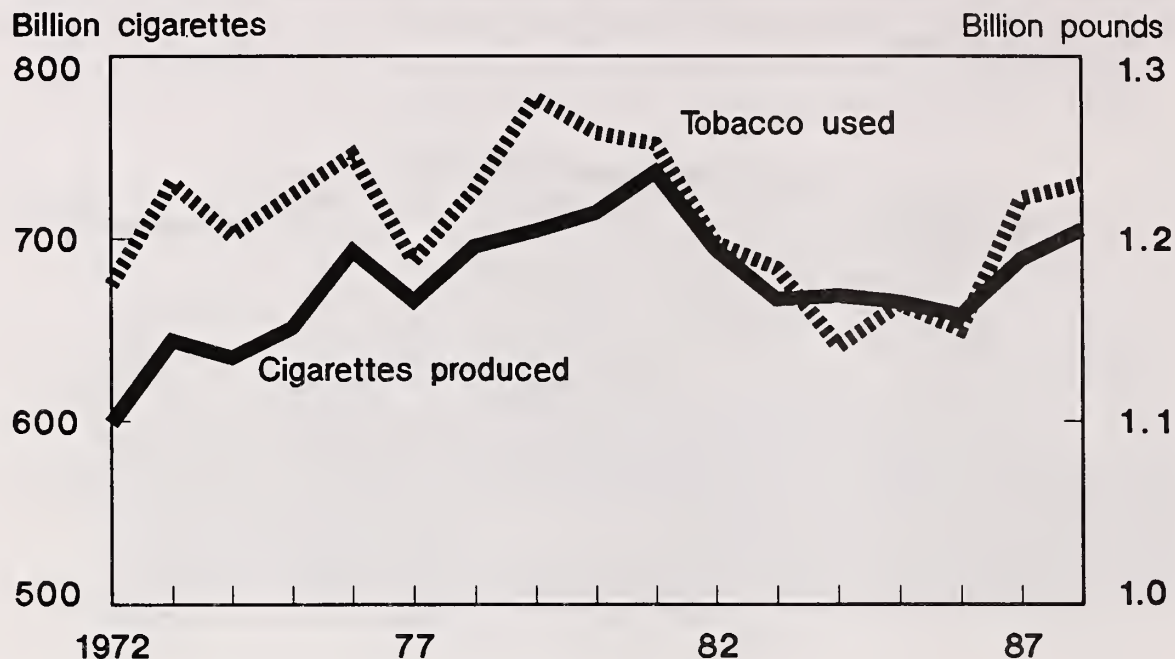
Percent of 1982-84



BLS Data. Beginning 1978 for all urban consumers. Latest year estimated.

Economic Research Service

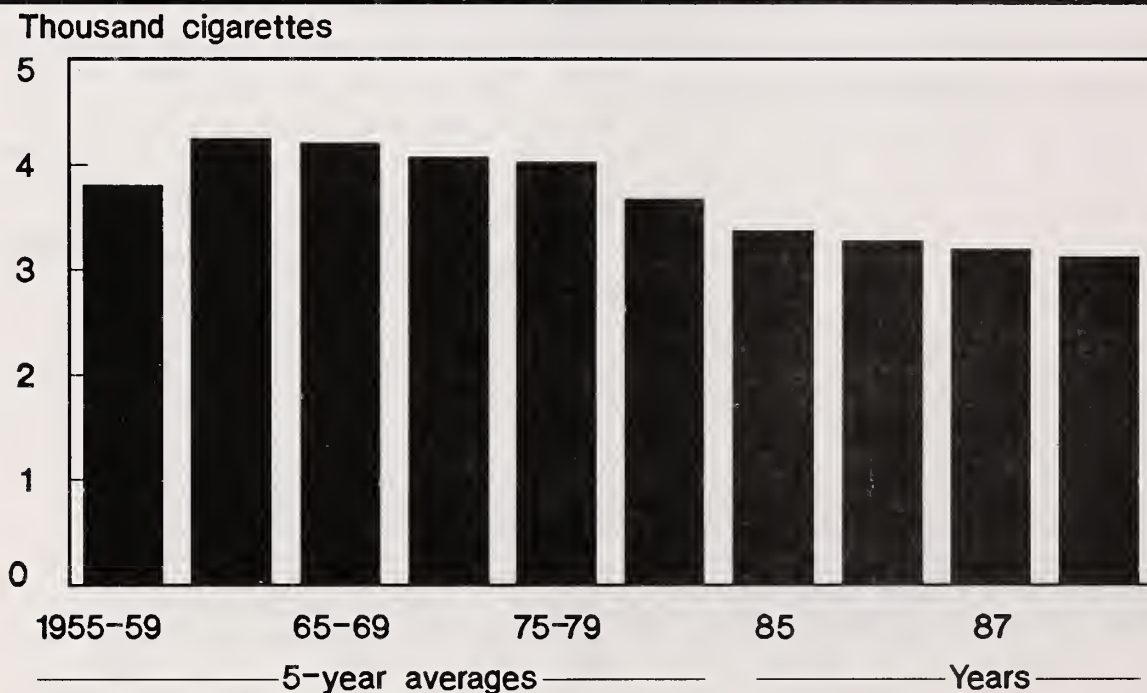
Cigarettes Produced and Tobacco Used



Billion pounds in unstemmed processing weight. 1988 Forecast.

Economic Research Service

Per Capita Cigarette Consumption

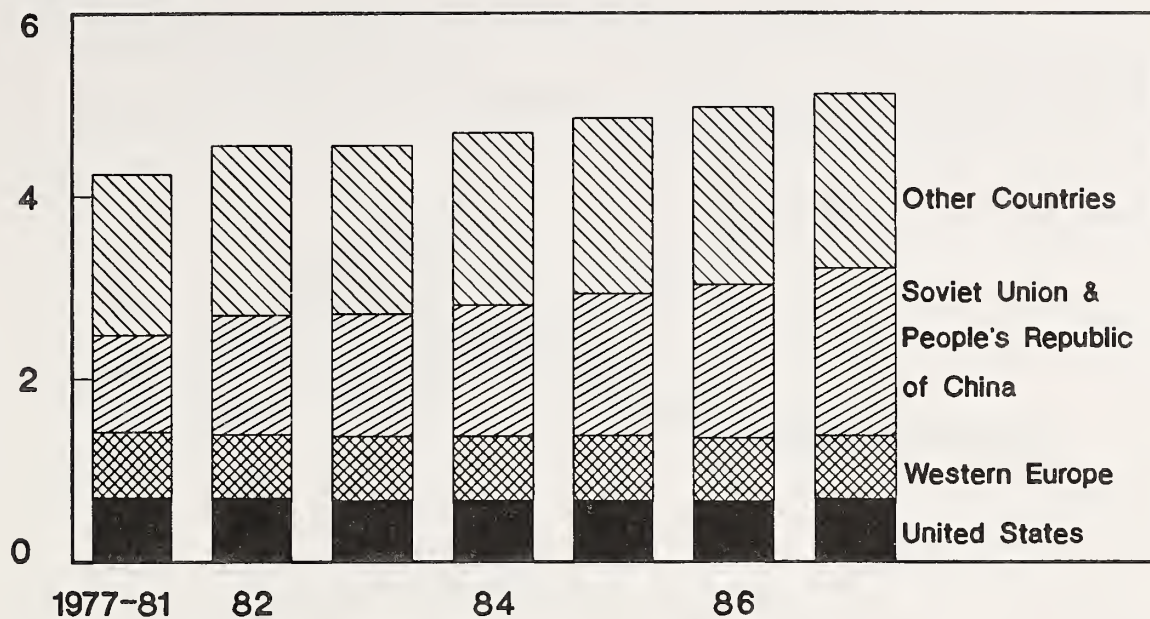


1988 projected. Persons 18 and over.

Economic Research Service

World Cigarette Output

Trillion pieces

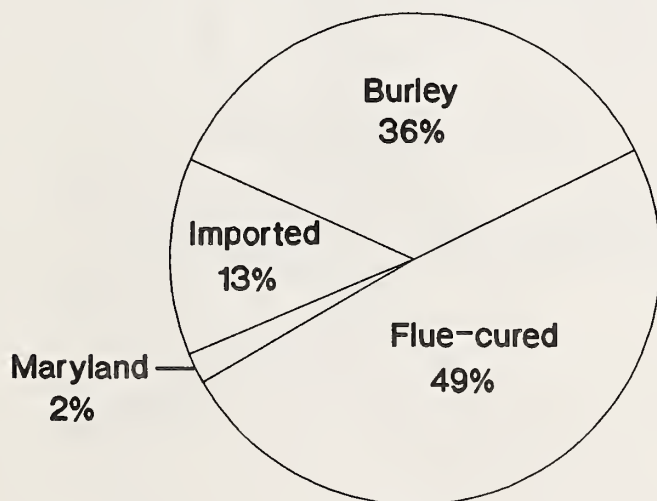


Latest year preliminary.

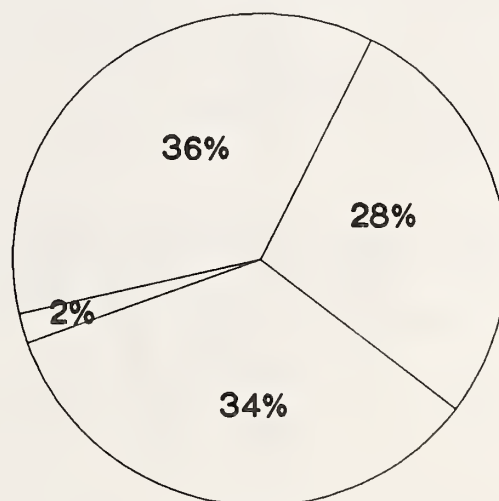
Economic Research Service

Tobacco Use in Cigarettes

1967-69 average



1985-87 average

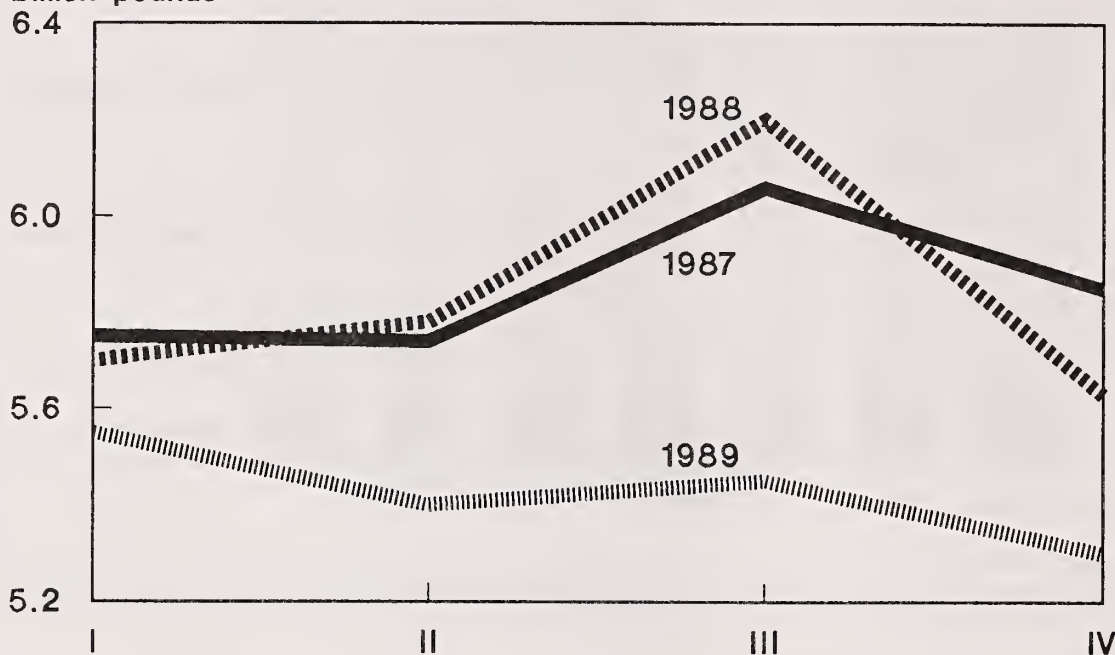


Economic Research Service



Commercial Beef Production

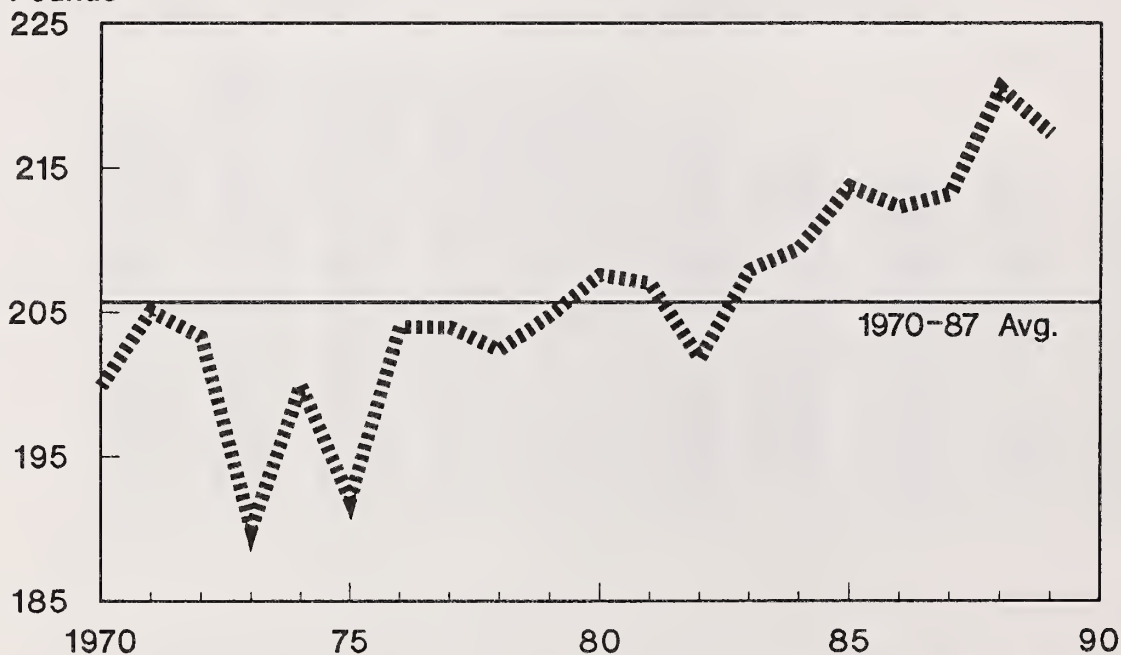
Billion pounds



Economic Research Service

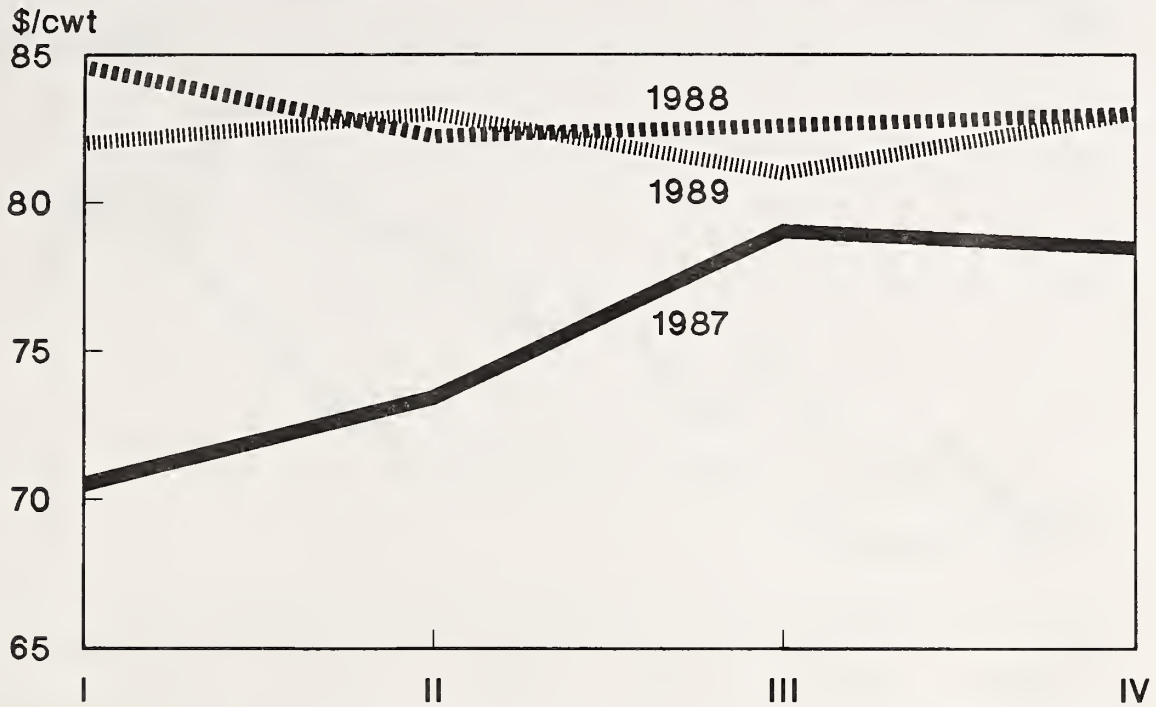
Per Capita Meat and Poultry Consumption

Pounds



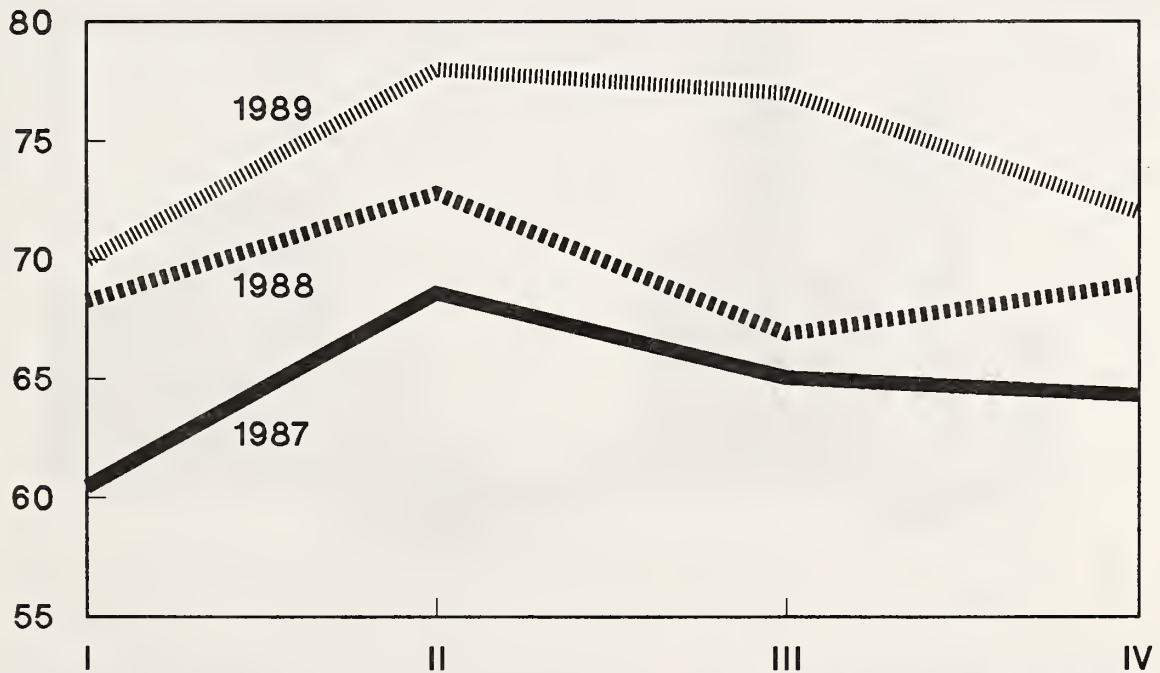
Economic Research Service

Medium #1 Feeder Steer Prices, Kansas City



Economic Research Service

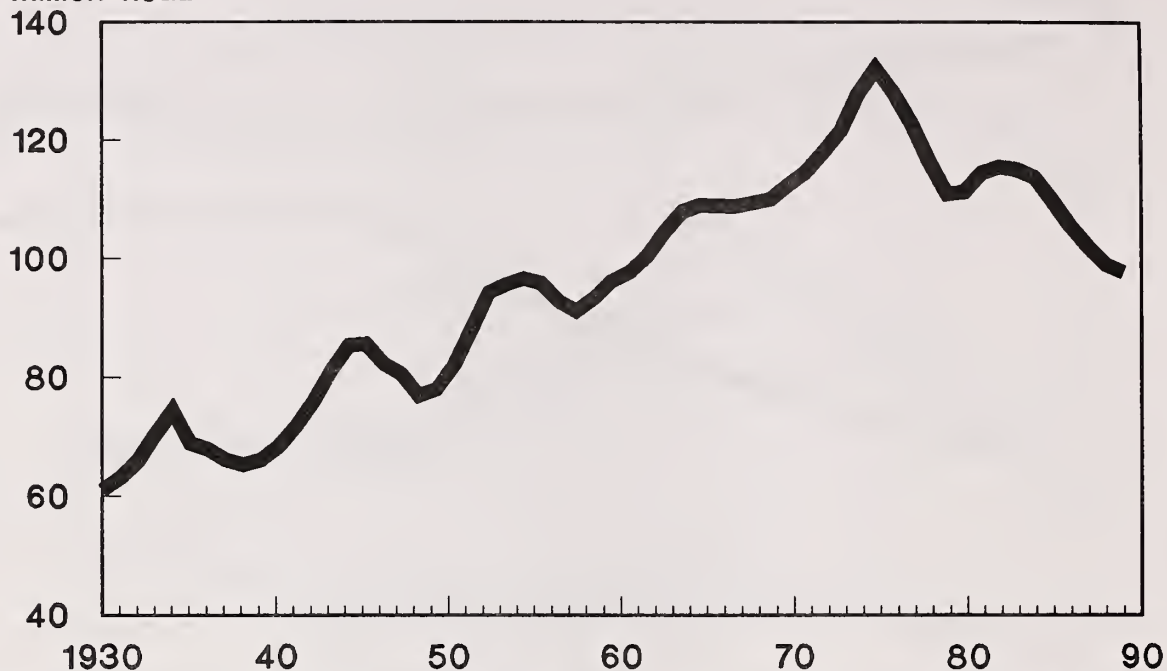
Choice Steer Prices, Omaha



Economic Research Service

U.S. Cattle and Calf Inventory

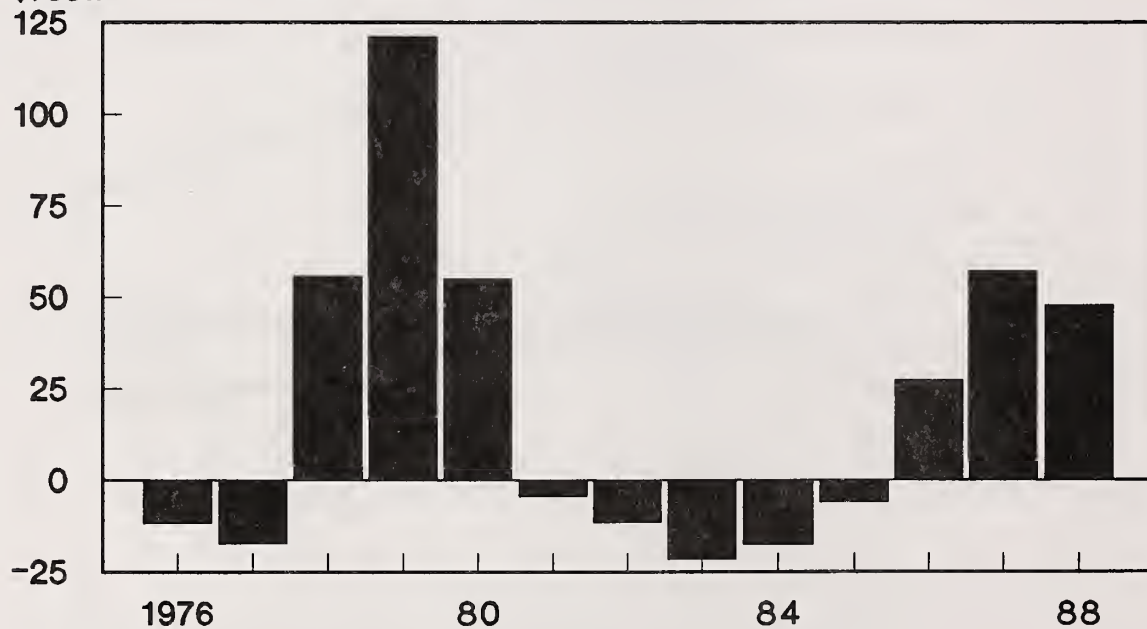
Million head



Economic Research Service

Returns to Cow-Calf Producers

\$/cow

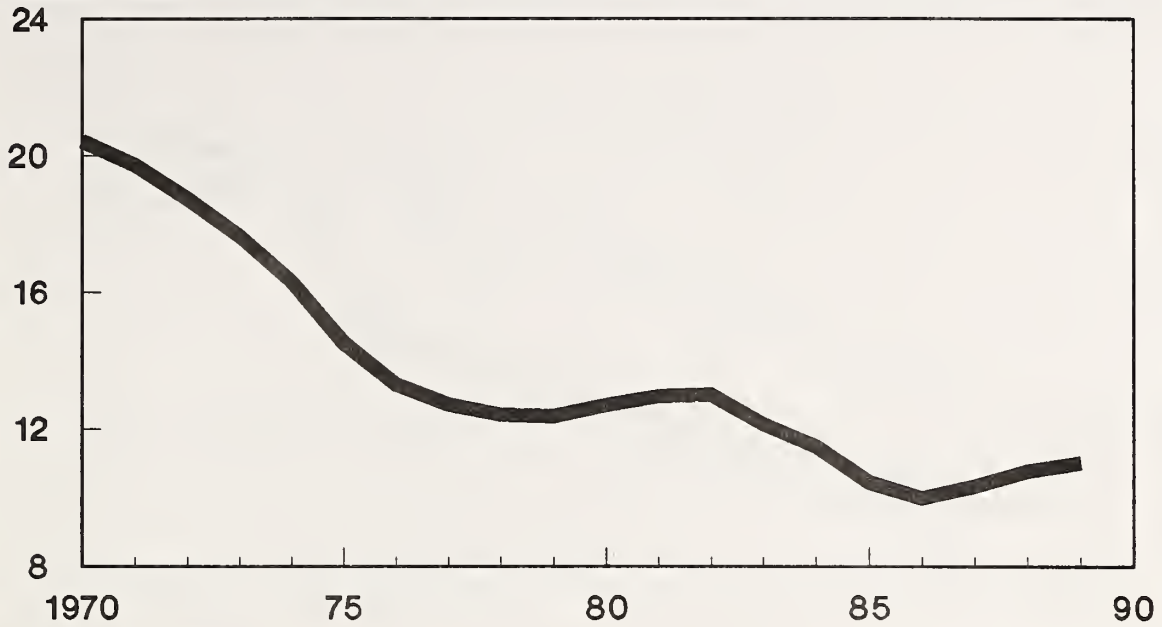


Receipts less cash expenses.

Economic Research Service

U.S. Sheep Inventory

Million head

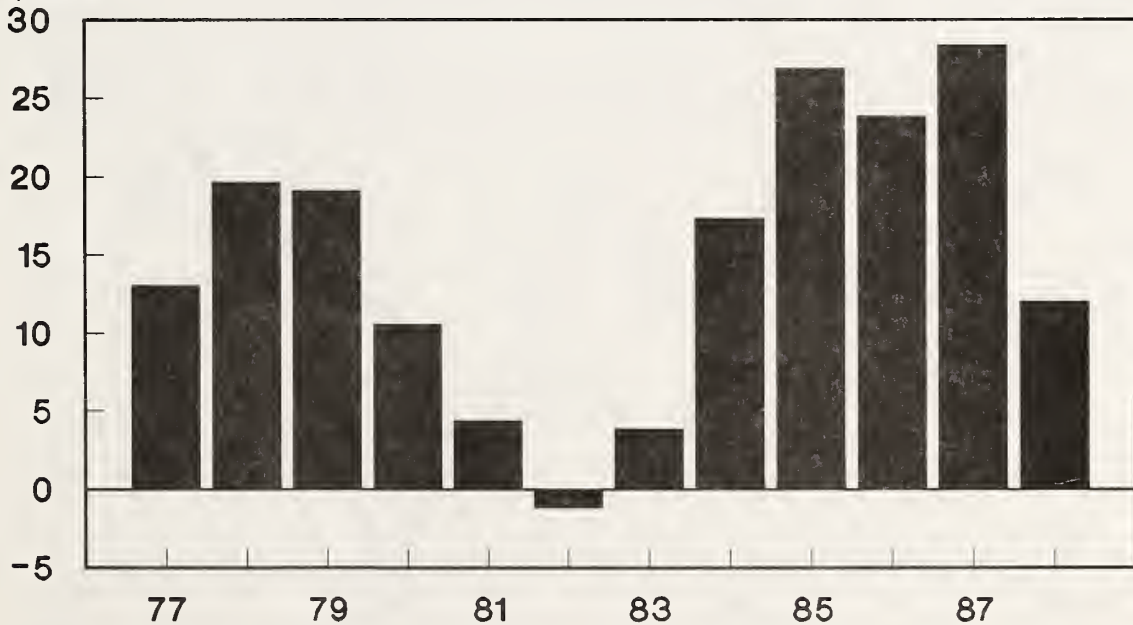


All sheep and lambs.

Economic Research Service

Returns to Sheep Producers

\$/ewe

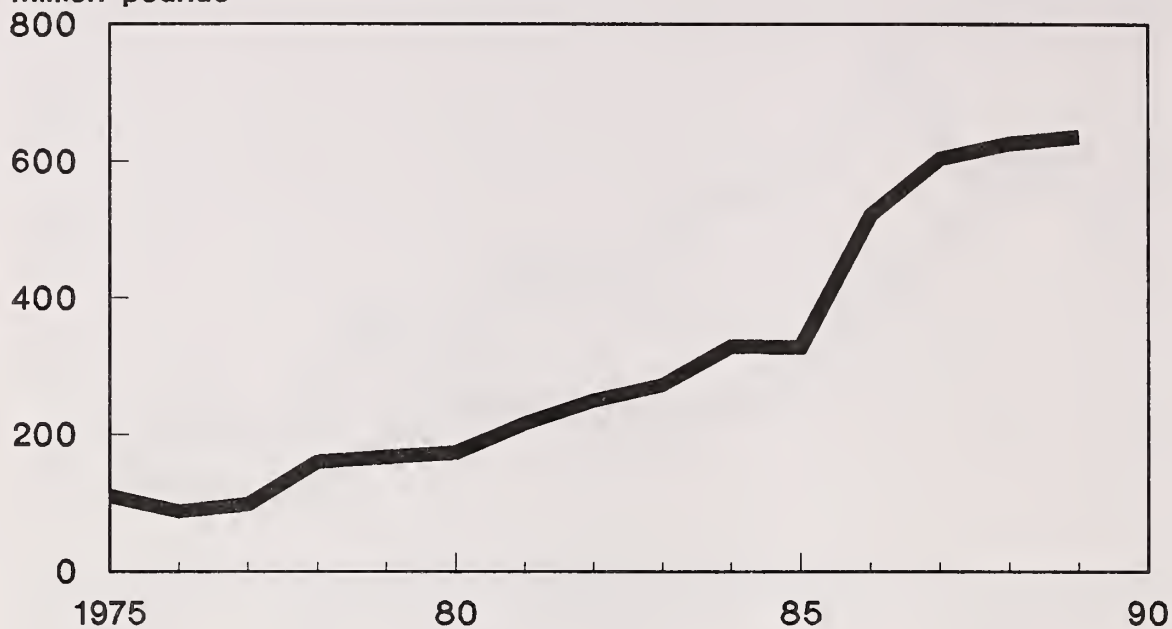


Receipts less cash expenses.

Economic Research Service

Beef Exports

Million pounds

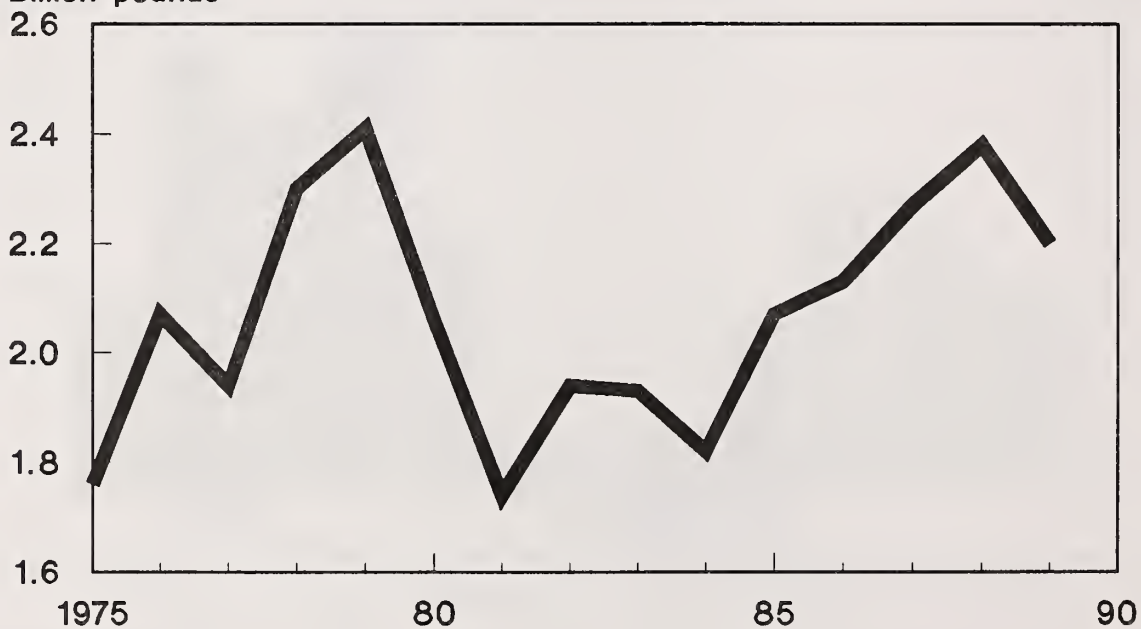


Carcass weight.

Economic Research Service

Beef Imports

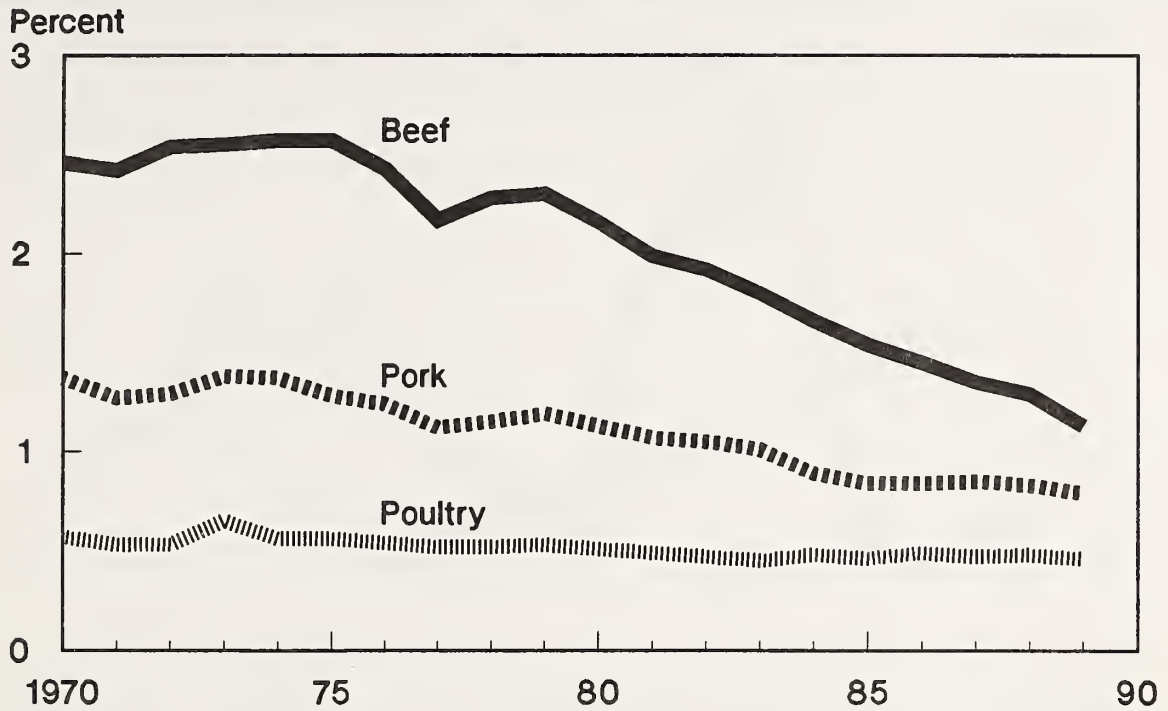
Billion pounds



Carcass weight

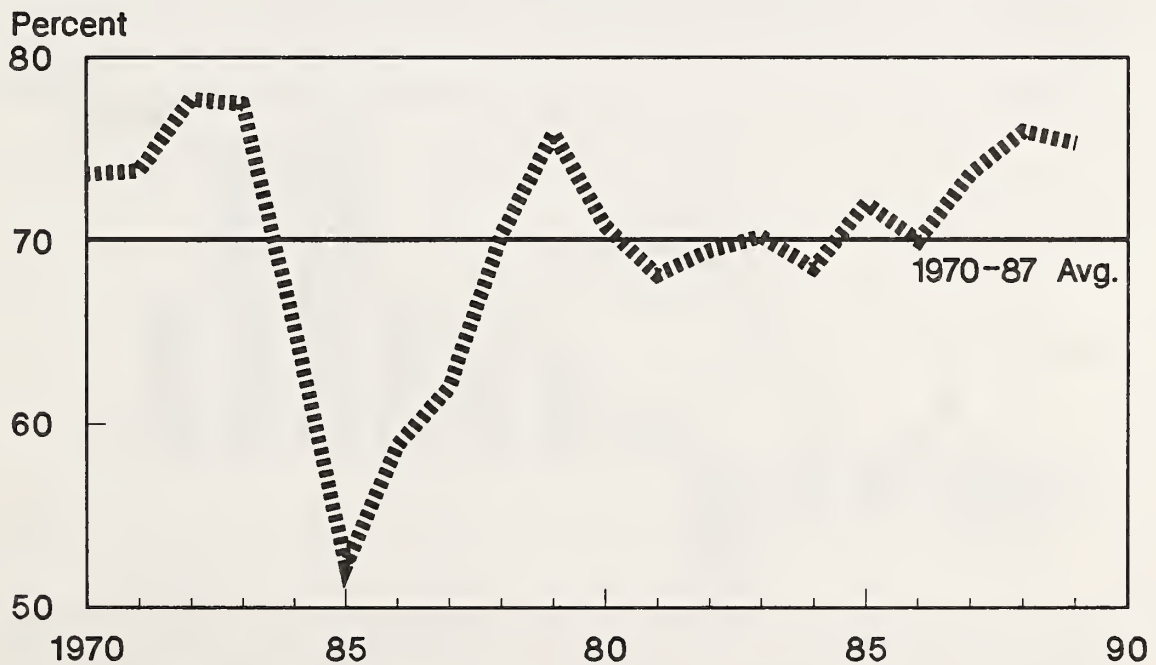
Economic Research Service

Percent of Income Spent on Meat



Economic Research Service

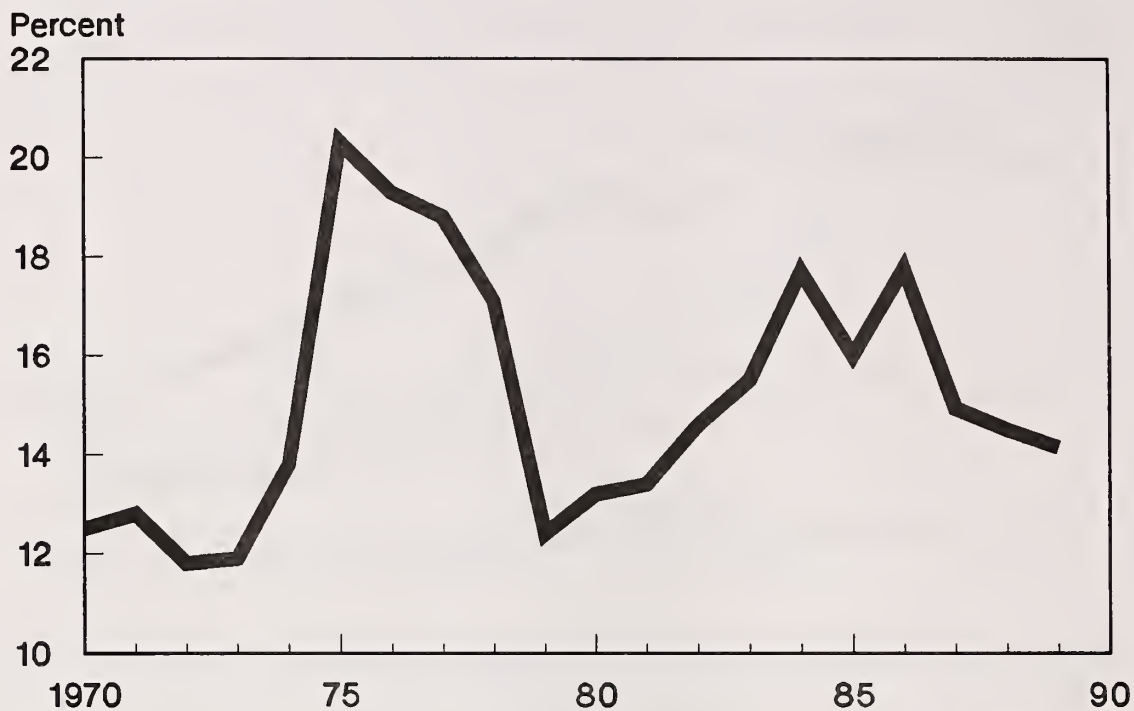
Fed Cattle Slaughter



As percent of total commercial slaughter.

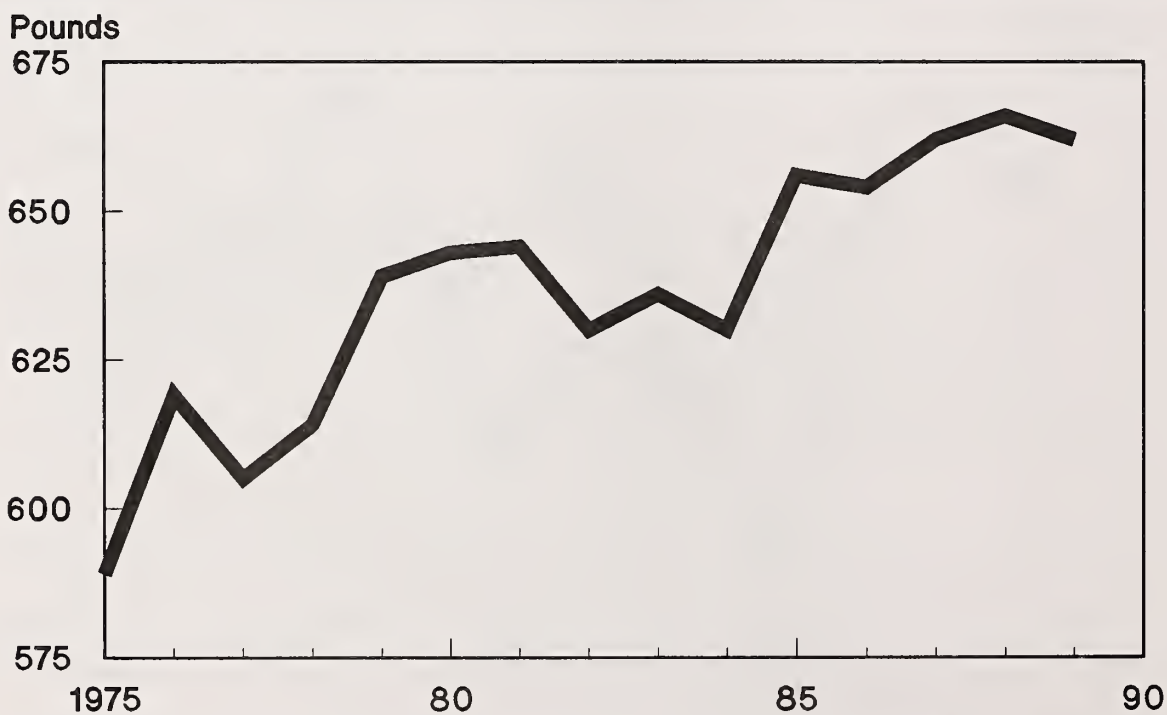
Economic Research Service

Percent of Cow Herd Slaughtered



Economic Research Service

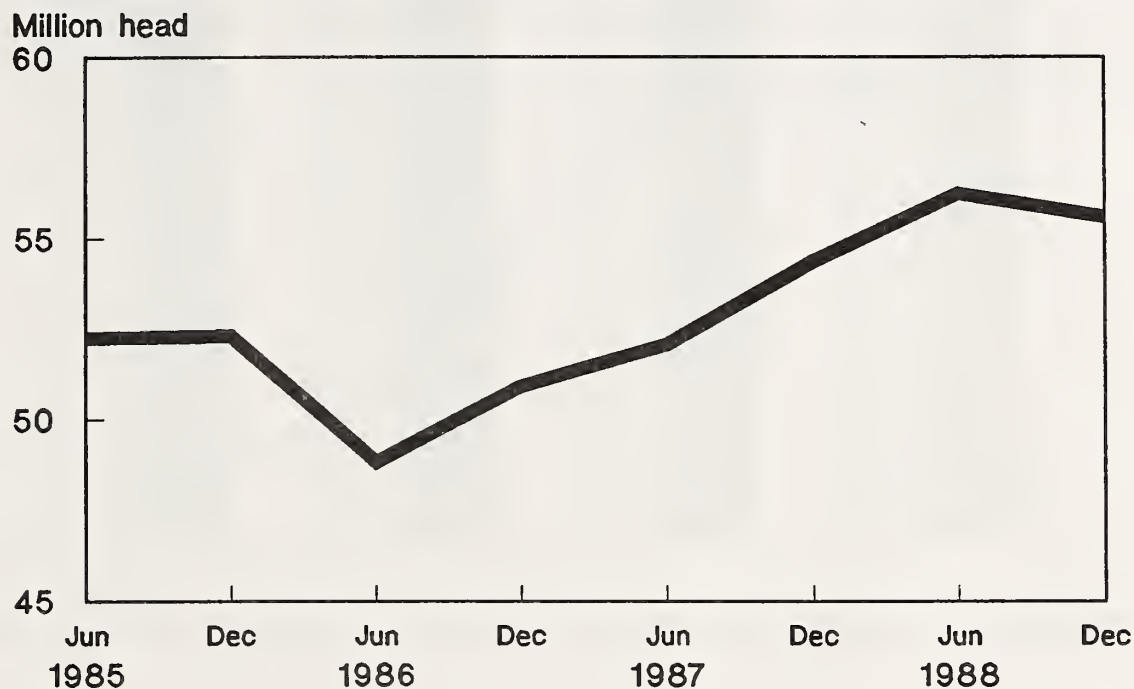
Beef Carcass Weights



Economic Research Service

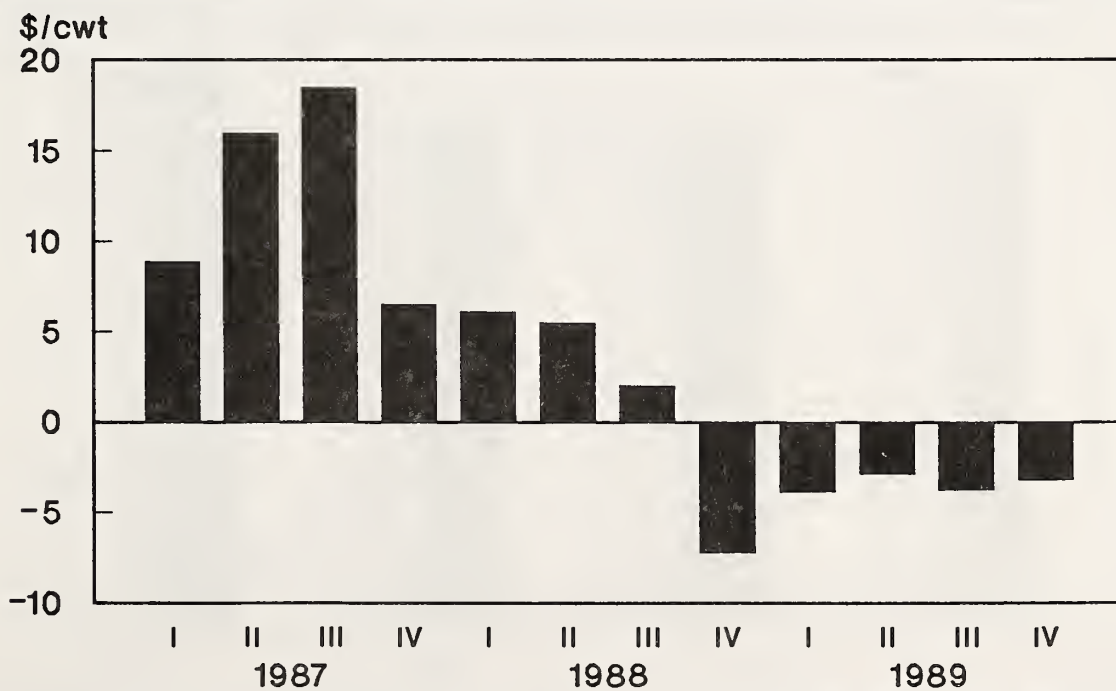


U.S. Hog Inventory



Economic Research Service

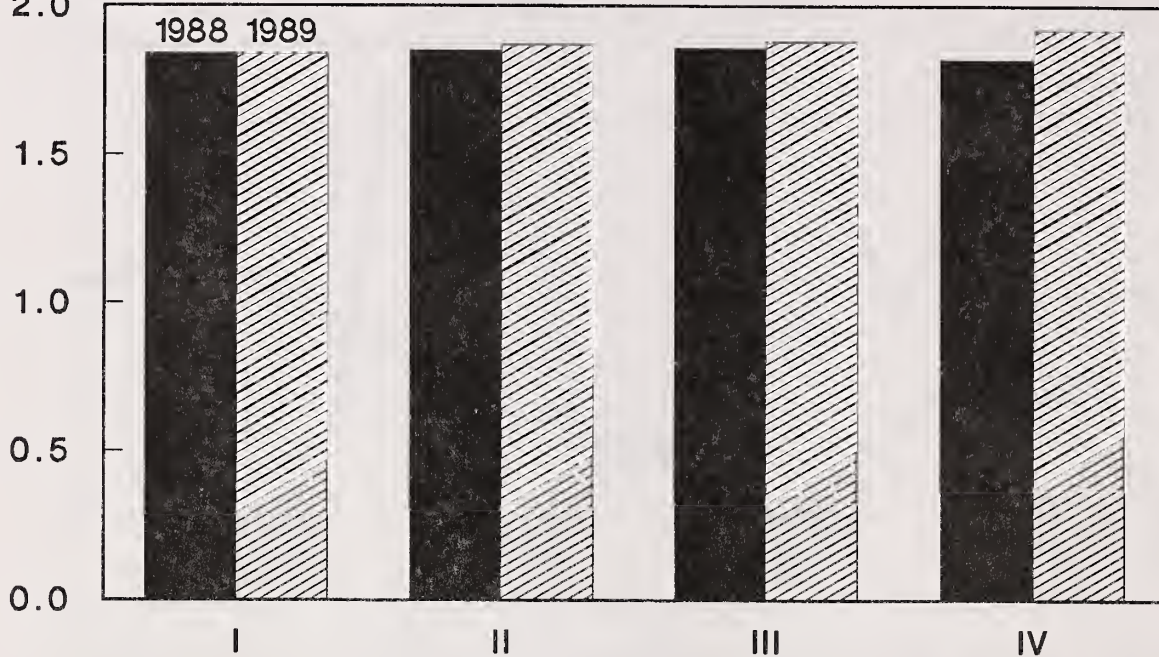
Net Returns to Hog Producers



Economic Research Service

Retail Pork Prices

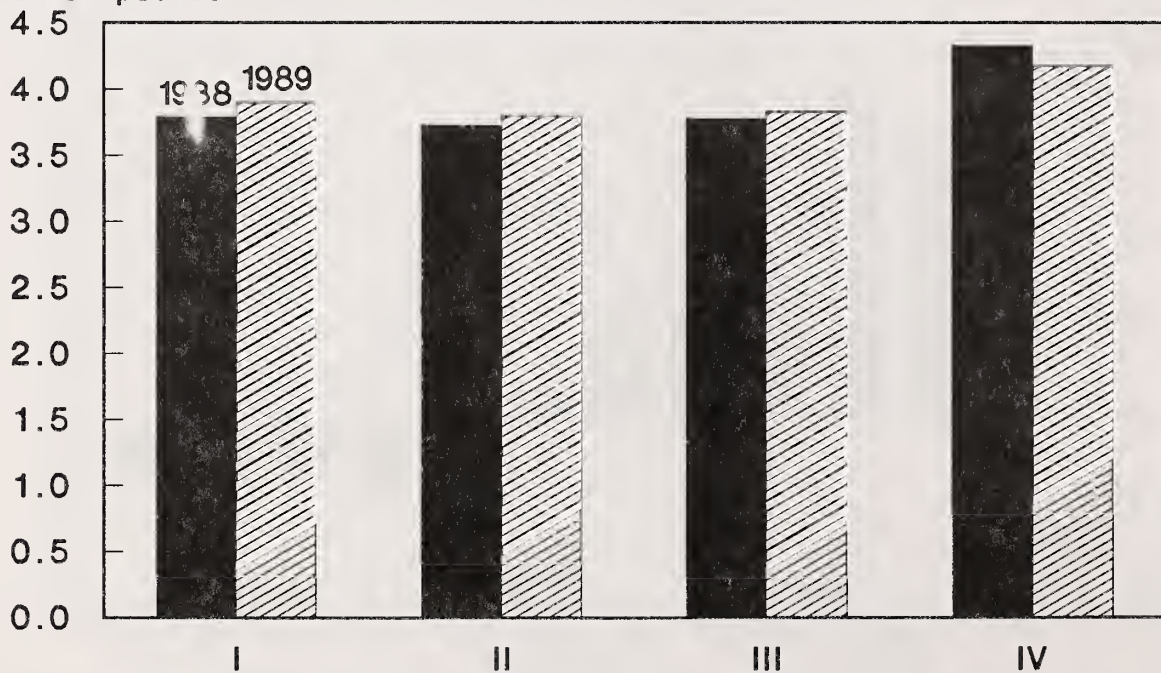
\$/pound
2.0



— Economic Research Service —

Commercial Pork Production

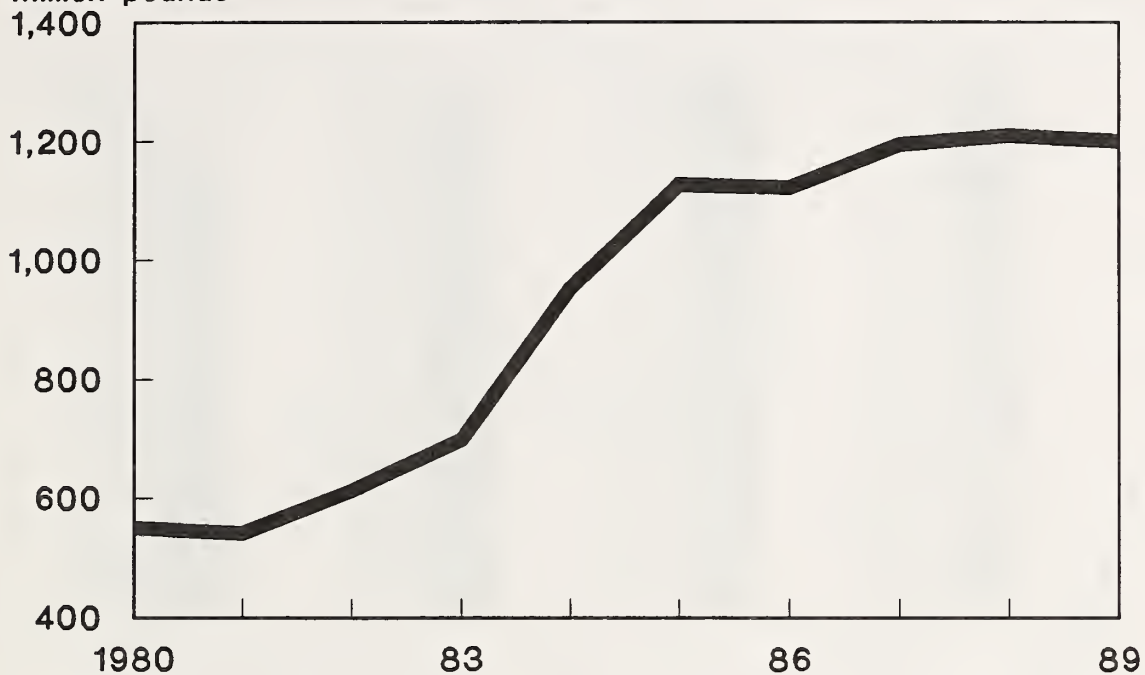
Billion pounds



— Economic Research Service —

U.S. Pork Imports, Carcass Weight

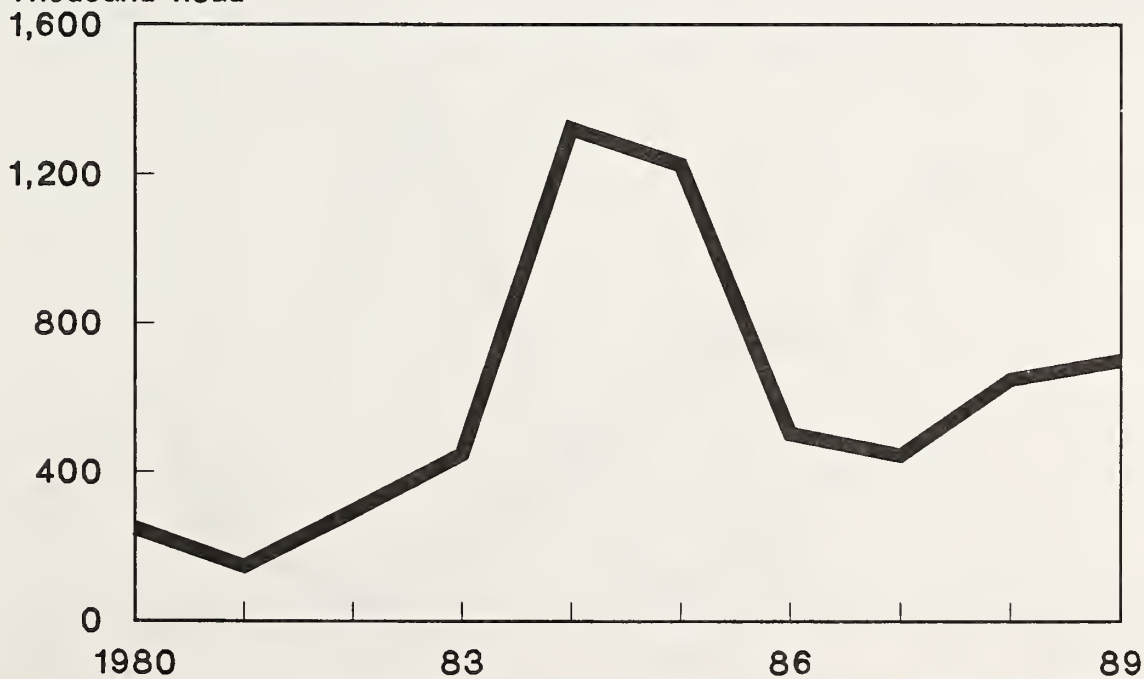
Million pounds



Economic Research Service

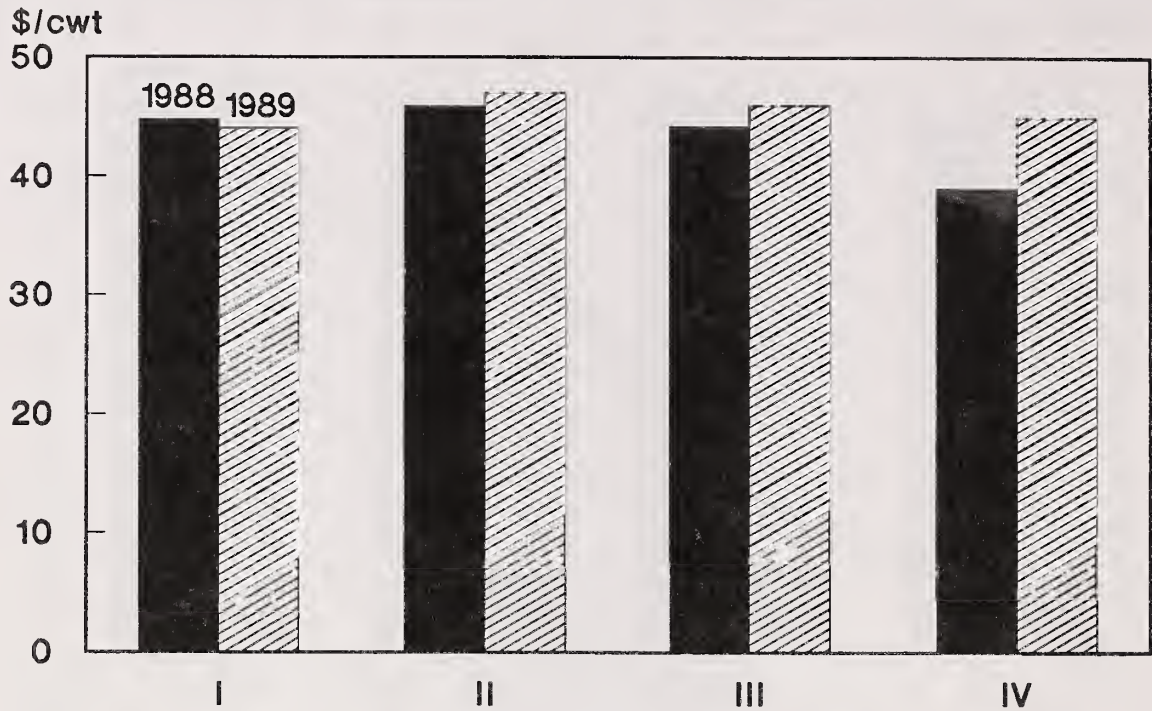
U.S. Hog Imports From Canada

Thousand head



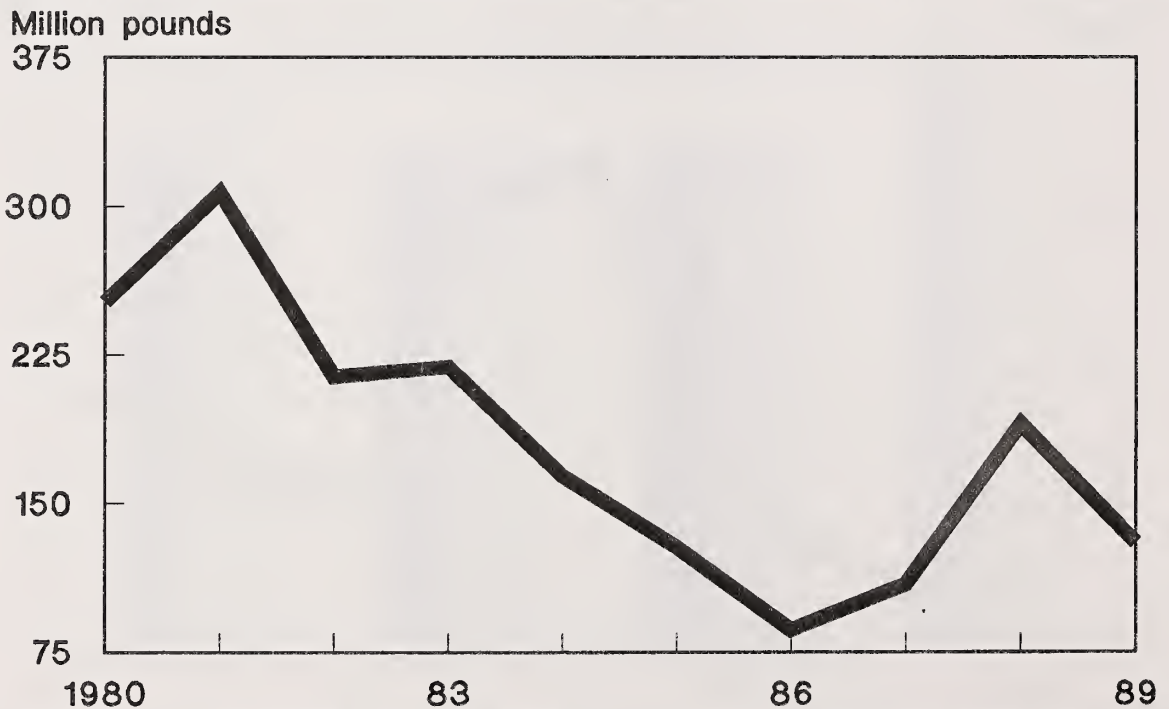
Economic Research Service

Barrow and Gilt Prices, 7 Markets



Economic Research Service

U.S. Pork Exports, Carcass Weight

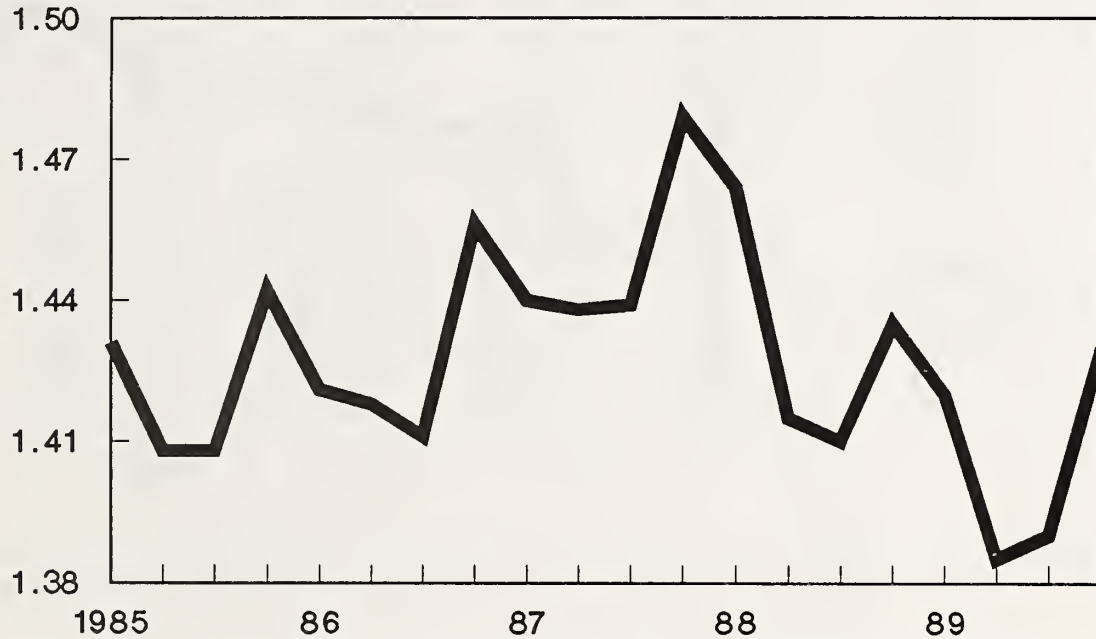


Economic Research Service



U.S. Egg Production

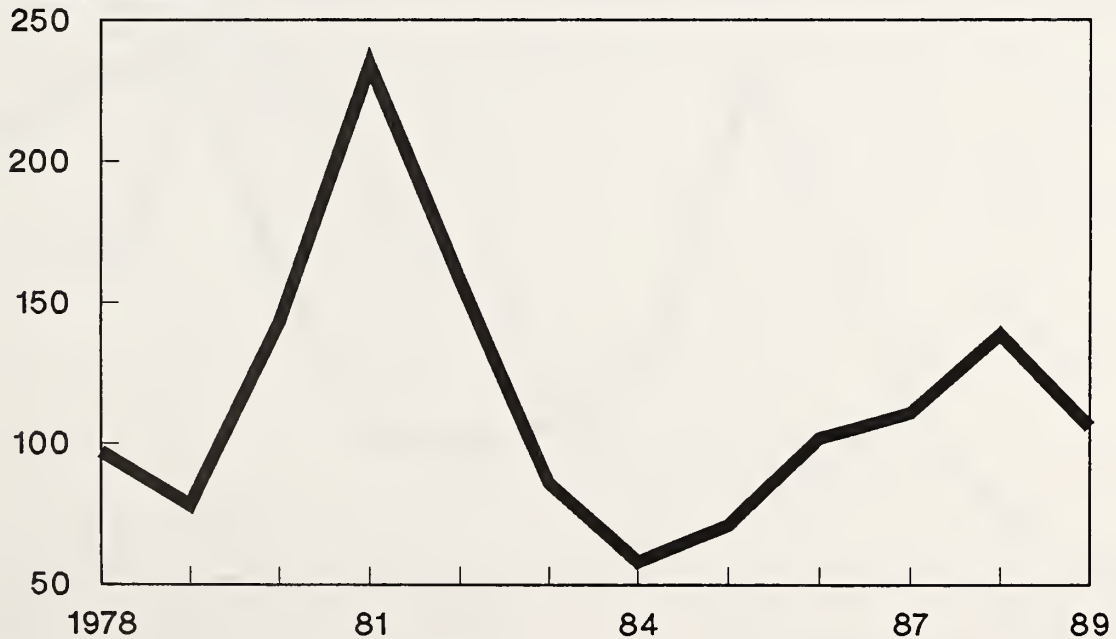
Billion dozens



Economic Research Service

U.S. Egg Exports

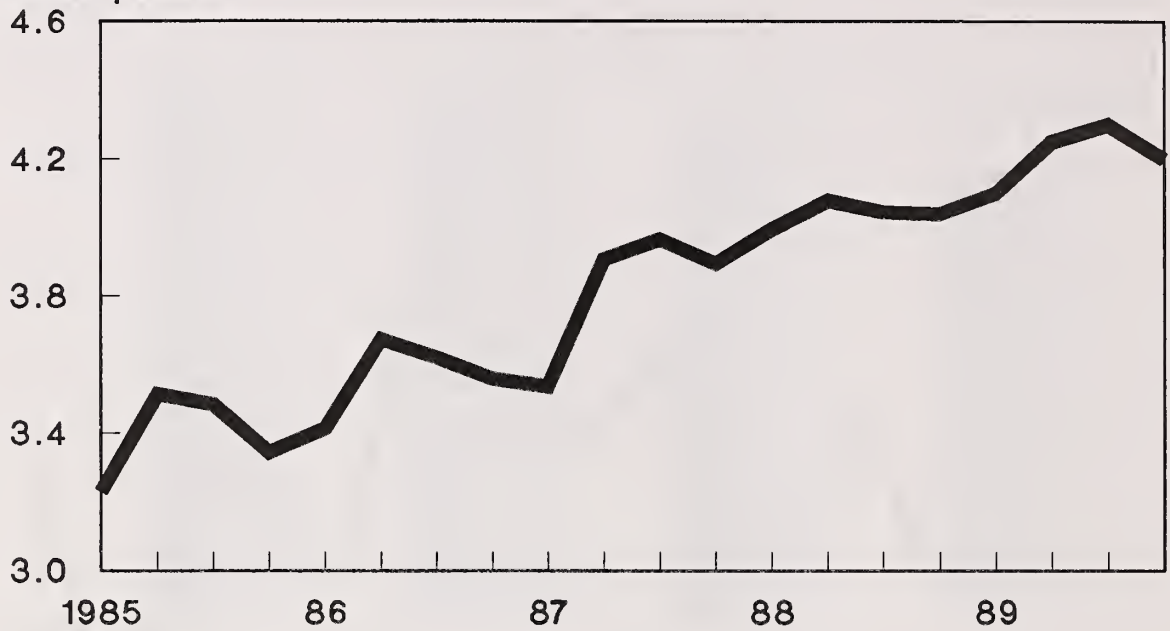
Million dozen



Economic Research Service

U.S. Broiler Production

Billion pounds

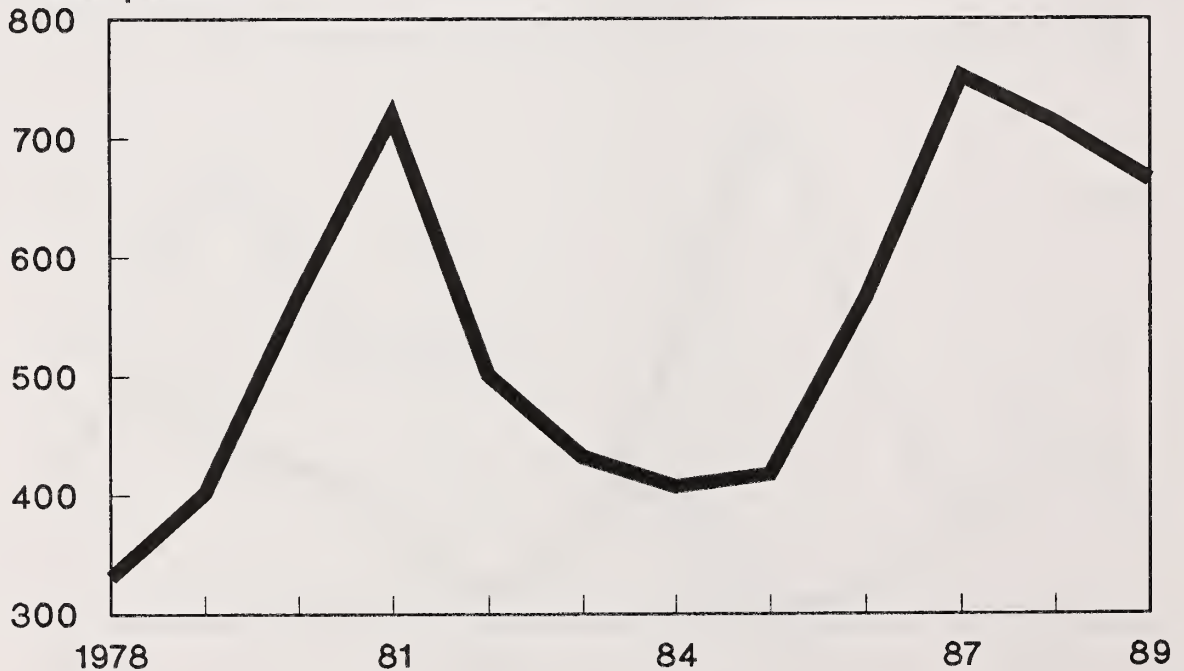


Federally Inspected

Economic Research Service

U.S. Broiler Exports

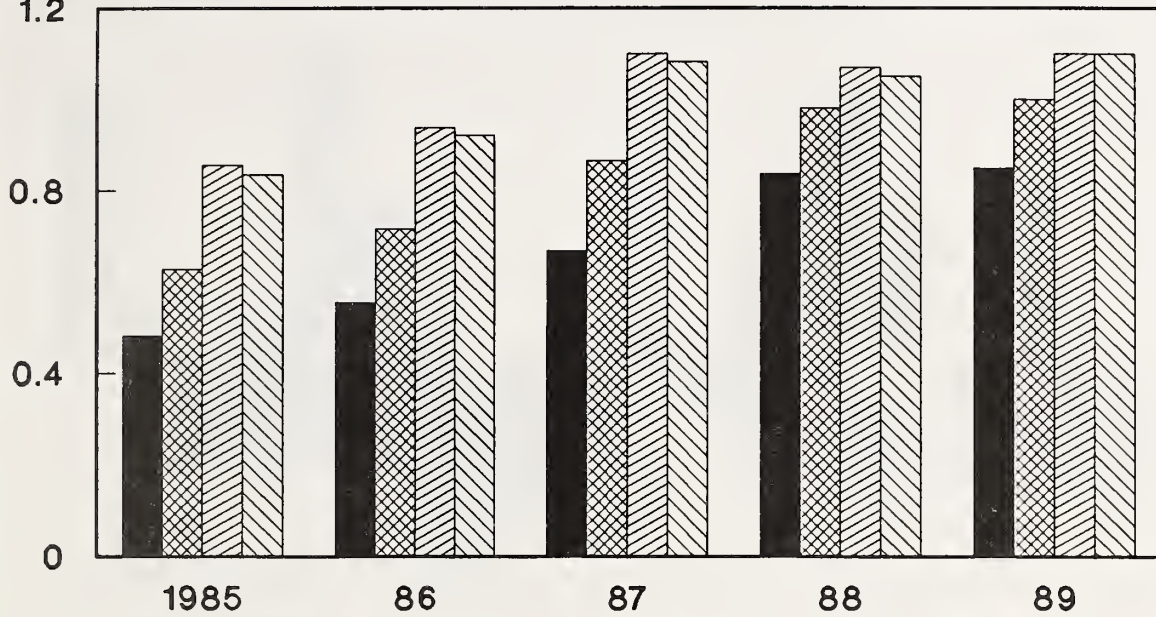
Million pounds



Economic Research Service

U.S. Turkey Production

Million pounds
1.2

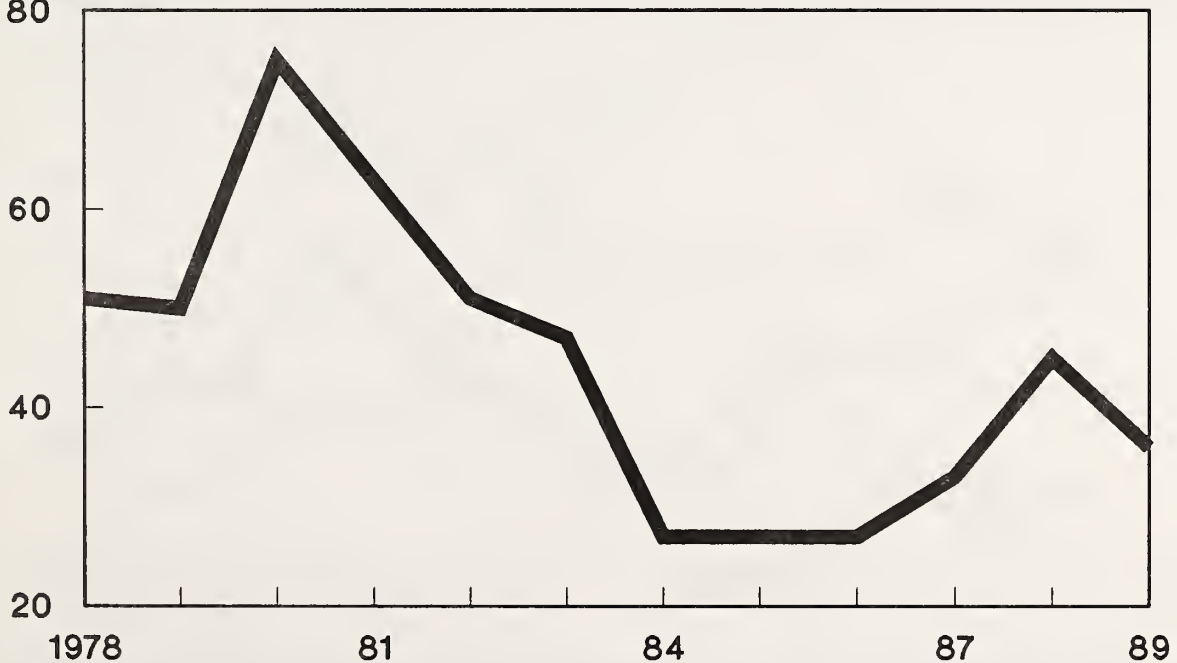


Federally inspected. Quarterly data.

Economic Research Service

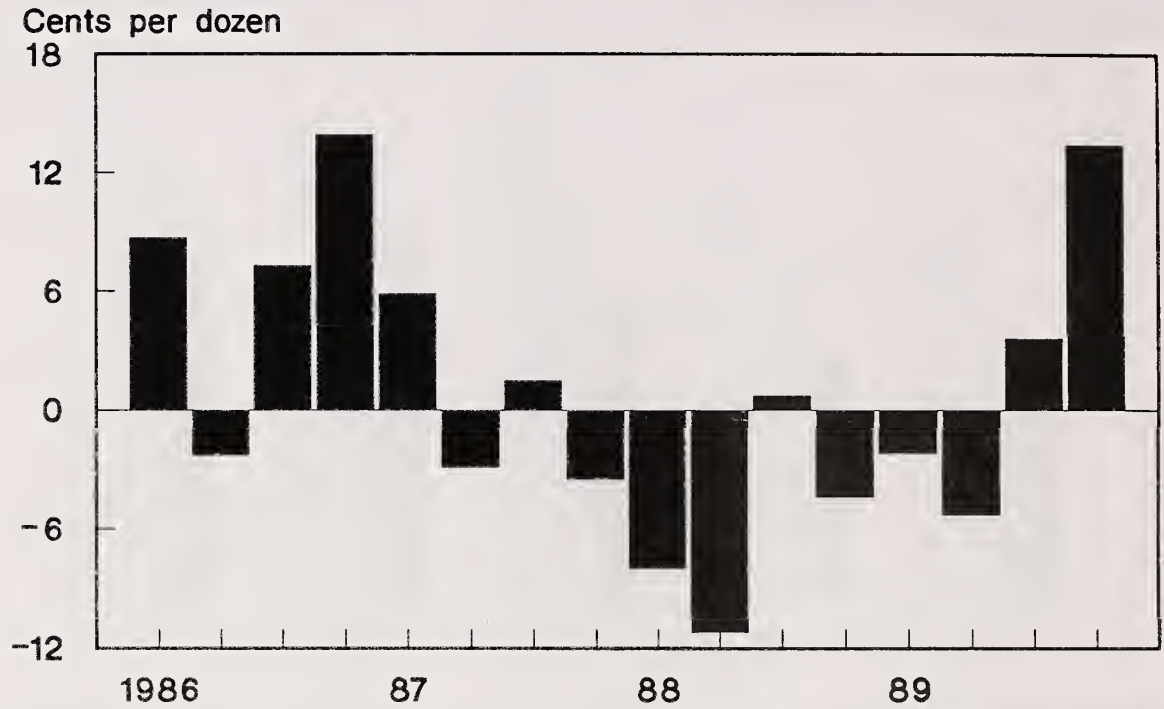
U.S. Turkey Exports

Million Pounds
80



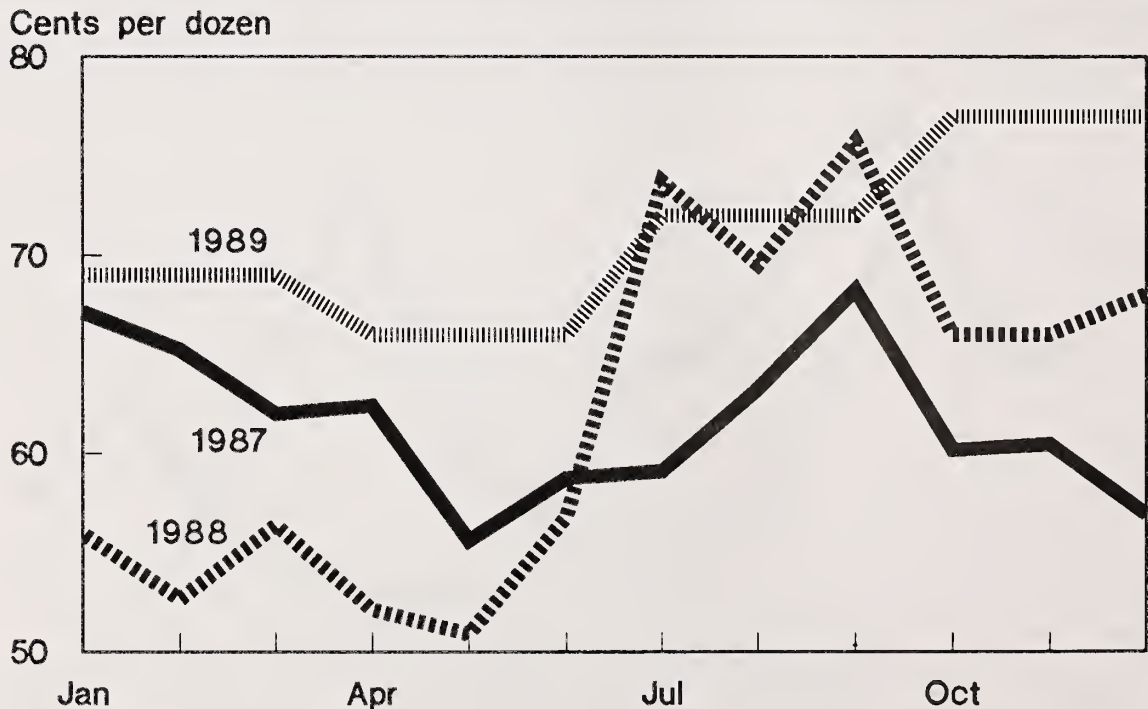
Economic Research Service

Egg Industry Net Returns at Wholesale



Economic Research Service

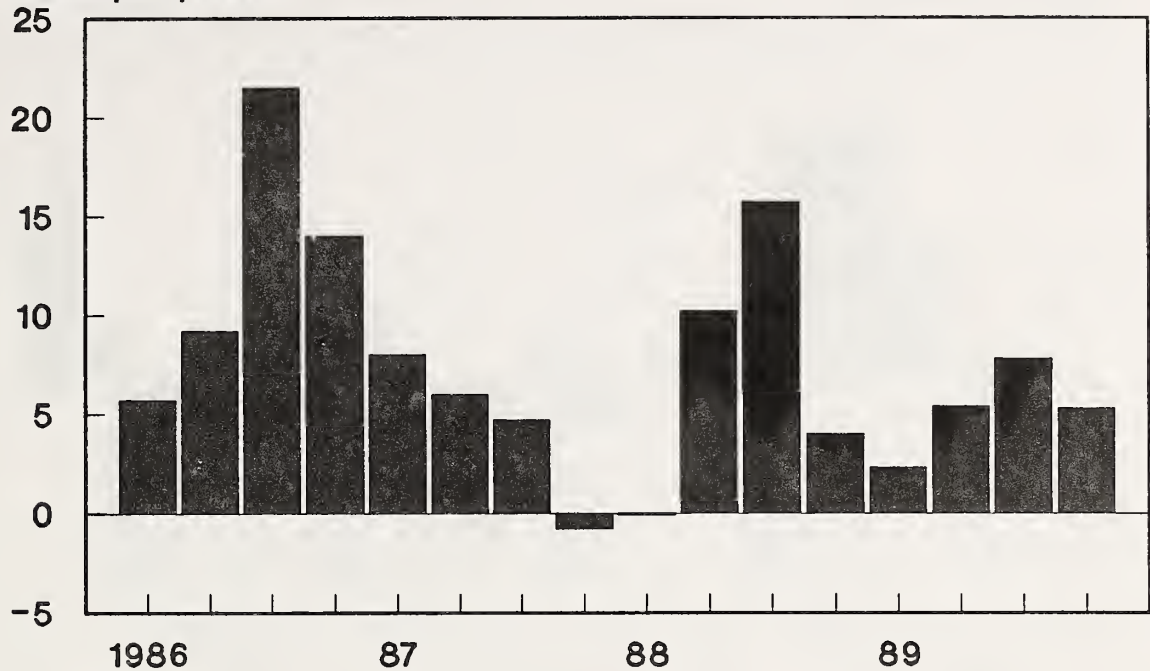
Eggs: Wholesale Prices in New York, Grade A, Large



Economic Research Service

Broiler Industry Net Returns at Wholesale

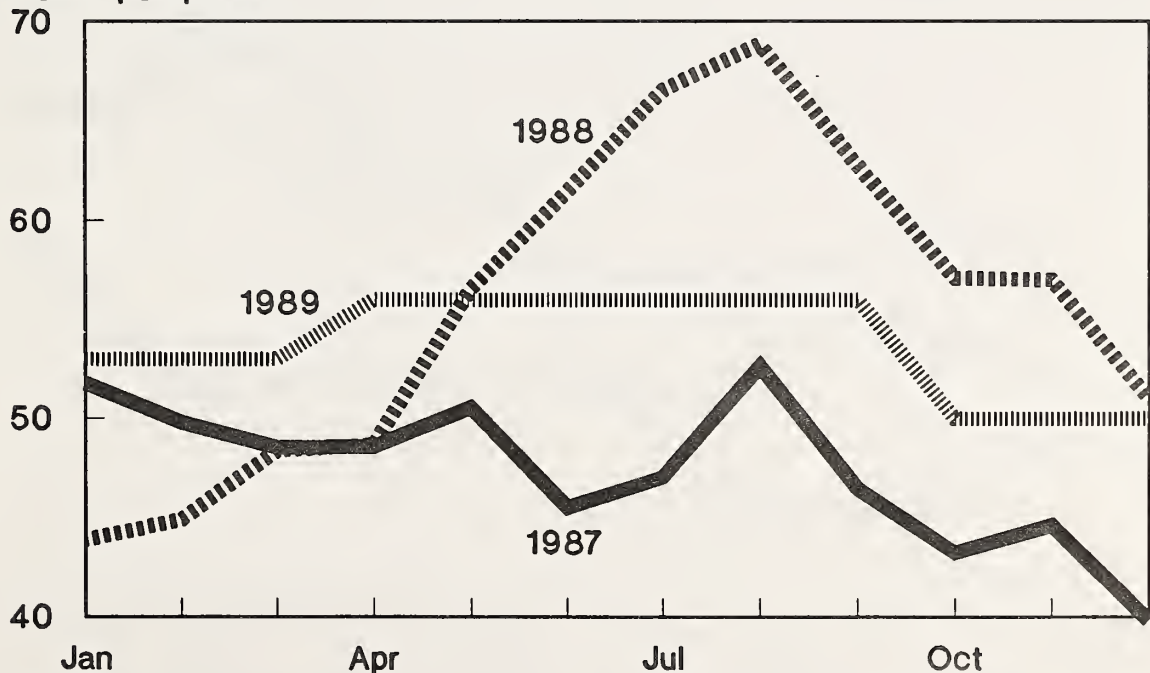
Cents per pound



Economic Research Service

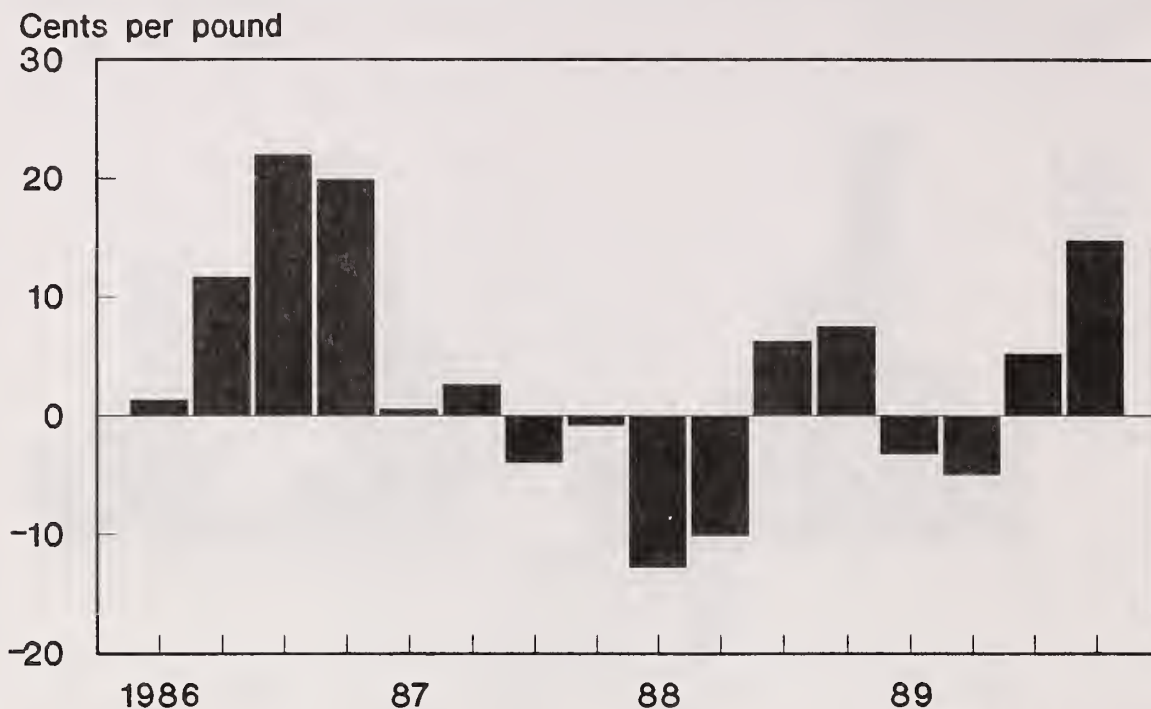
12-City Wholesale Broiler Prices

Cents per pound



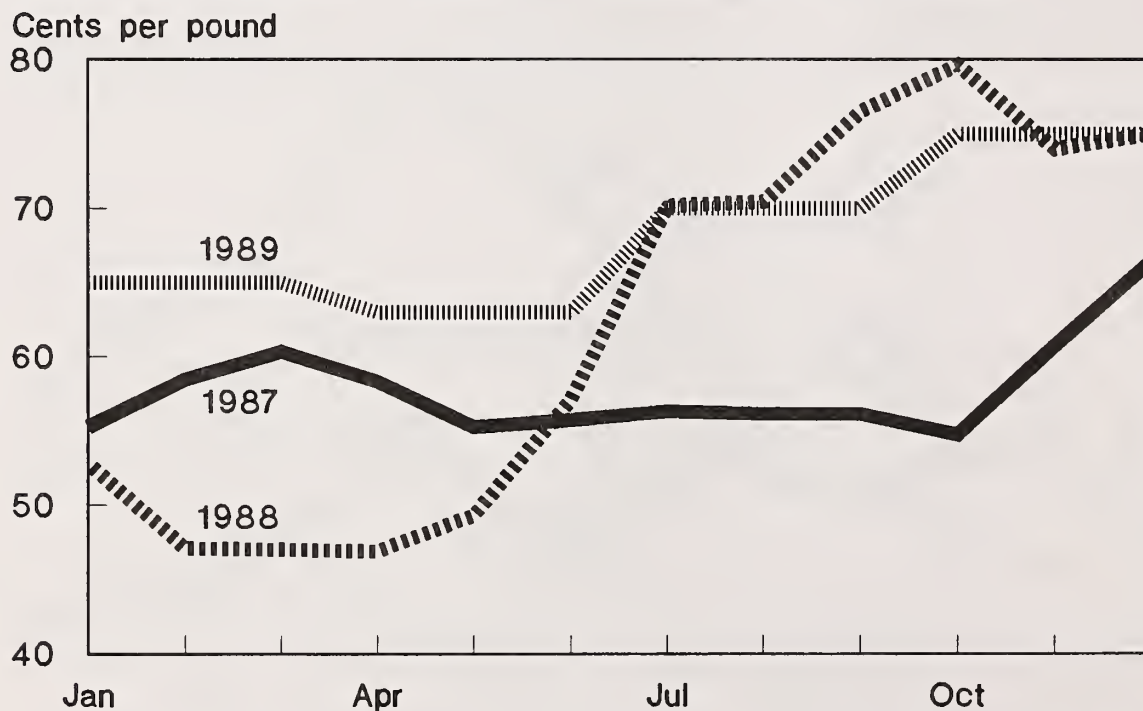
Economic Research Service

Turkey Industry Net Returns at Wholesale



Economic Research Service

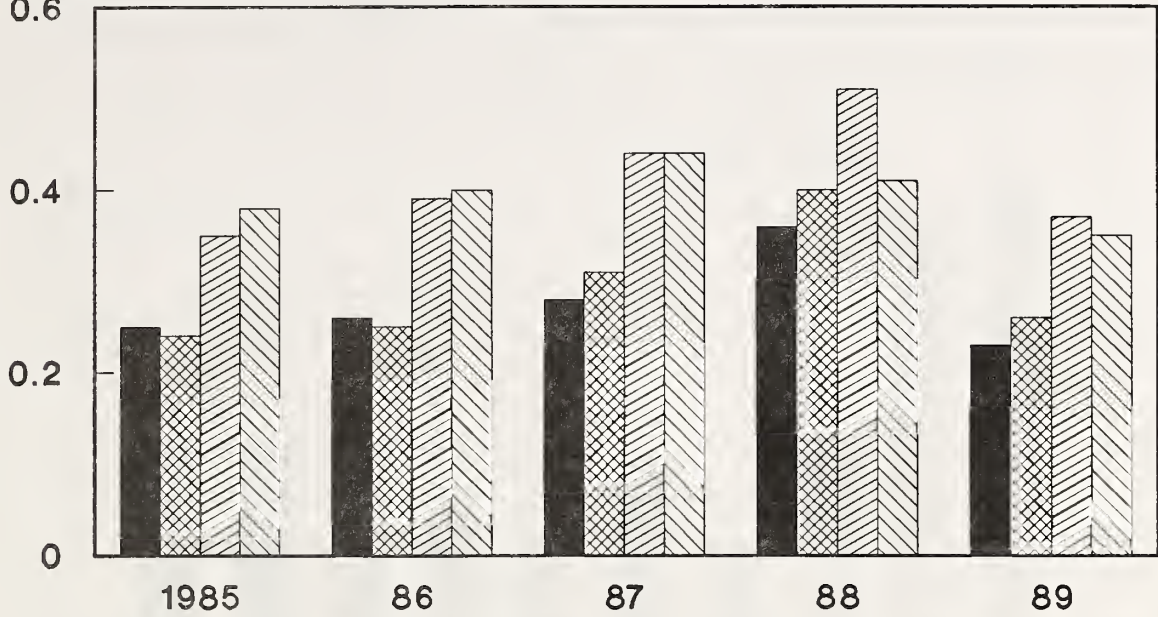
Wholesale Hen Turkey Prices, East



Economic Research Service

Turkey Stock-to-Use Ratio

Proportion
0.6

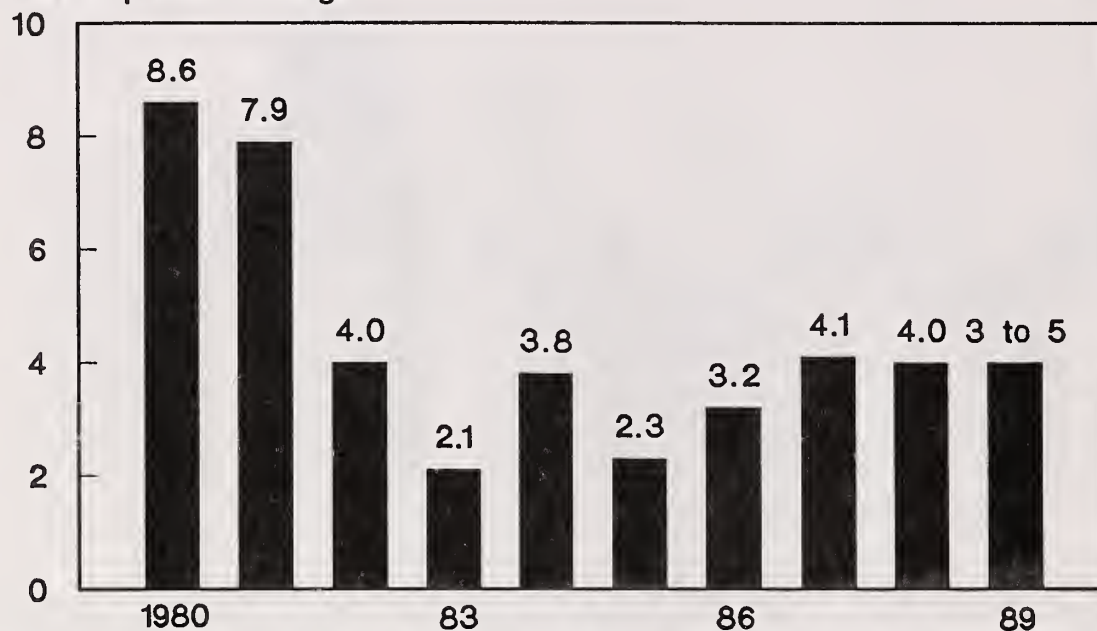


Quarterly data.

Economic Research Service

**Food Price Trend Since 1980**

Annual percent change

*Economic Research Service***Price Changes of Major Marketing Inputs**

	1987	1988	1989
		(Percent)	
Labor	3.0	3.0	2-4
Packaging	4.0	7.0	2-4
Transportation	- 2.0	5.0	3-5
Energy	- 3.0	- 3.0	3-0

Economic Research Service

Selected Food Price Indicators

	1987	1988	1989
	(Percent change)		
All food	4.1	4.0	3-5
Food at home	4.3	3.9	3-5
Food away from home	4.0	4.2	4-6

Source: Bureau of Labor Statistics - Forecasts ERS

Economic Research Service

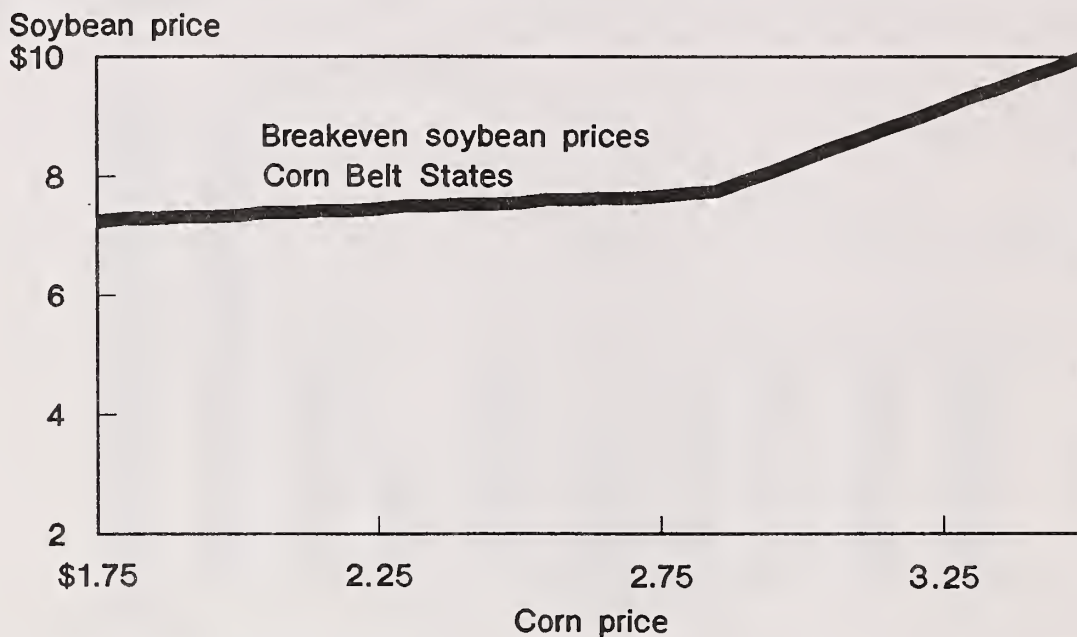
Market Basket Statistics

	1987	1988	1989
	(Percent change)		
Farm value	2.3	3.7	2-4
Farm-to-retail price spread	6.2	4.8	3-5
Retail cost	5.0	4.4	3-5

Economic Research Service



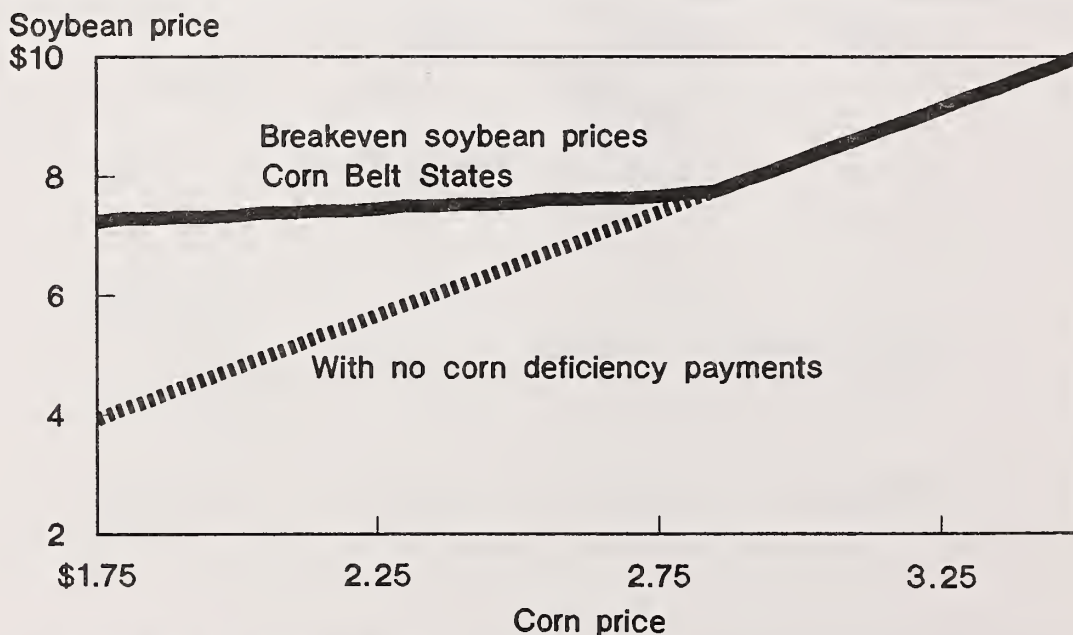
Soybean/Corn Breakeven Prices, 1989/90



Soybeans planted on permitted corn base.

Economic Research Service

Soybean/Corn Breakeven Prices, 1989/90

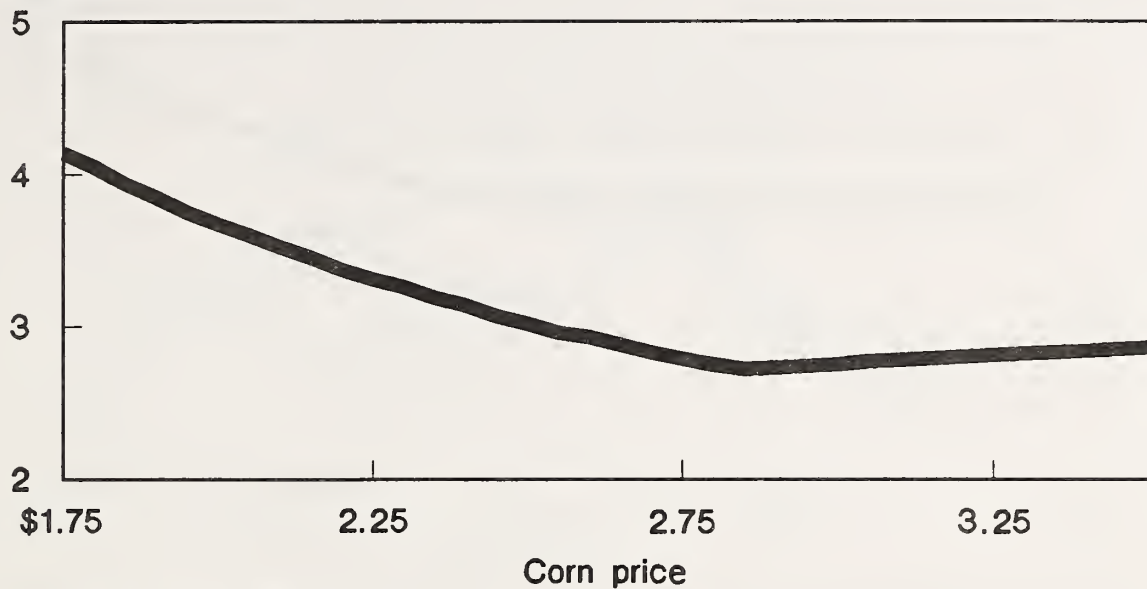


Soybeans planted on permitted corn base.

Economic Research Service

Soybean/Corn Breakeven Price Ratios Corn Belt States 1989/90

Ratios

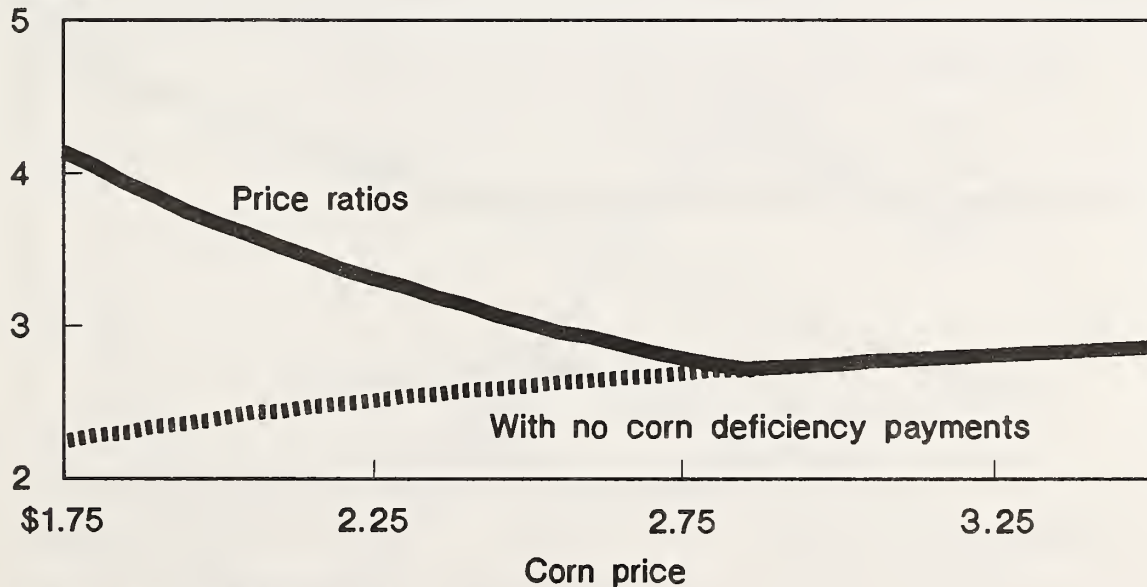


Soybeans planted on permitted corn base.

Economic Research Service

Soybean/Corn Breakeven Price Ratios Corn Belt States 1989/90

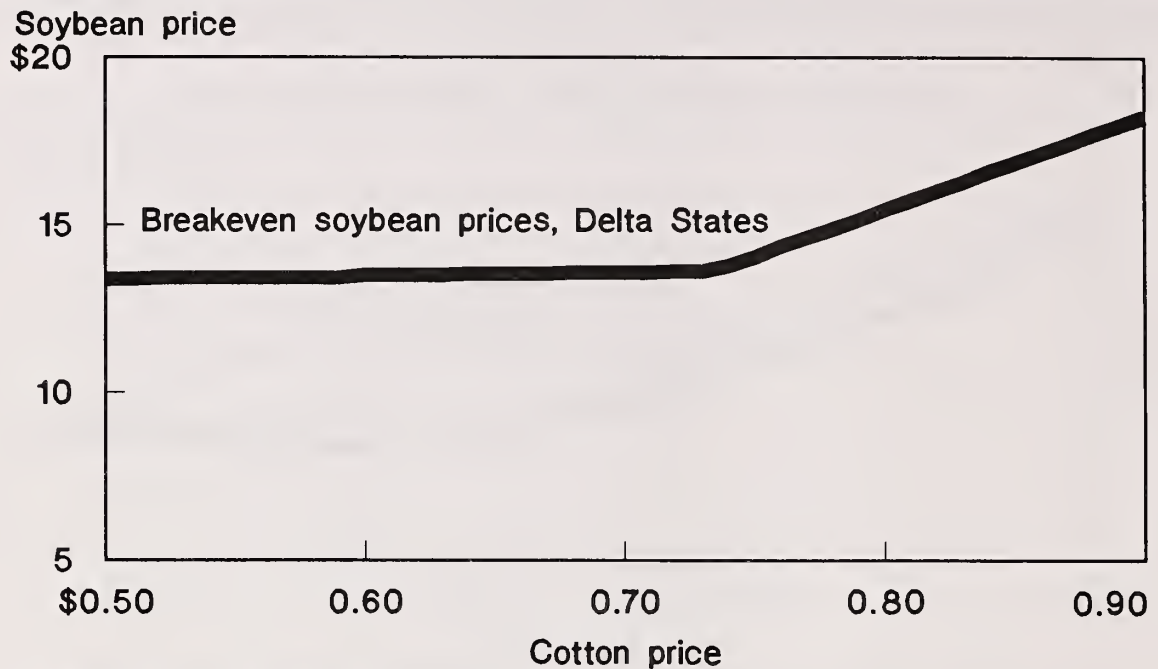
Ratios



Soybeans planted on permitted corn base.

Economic Research Service

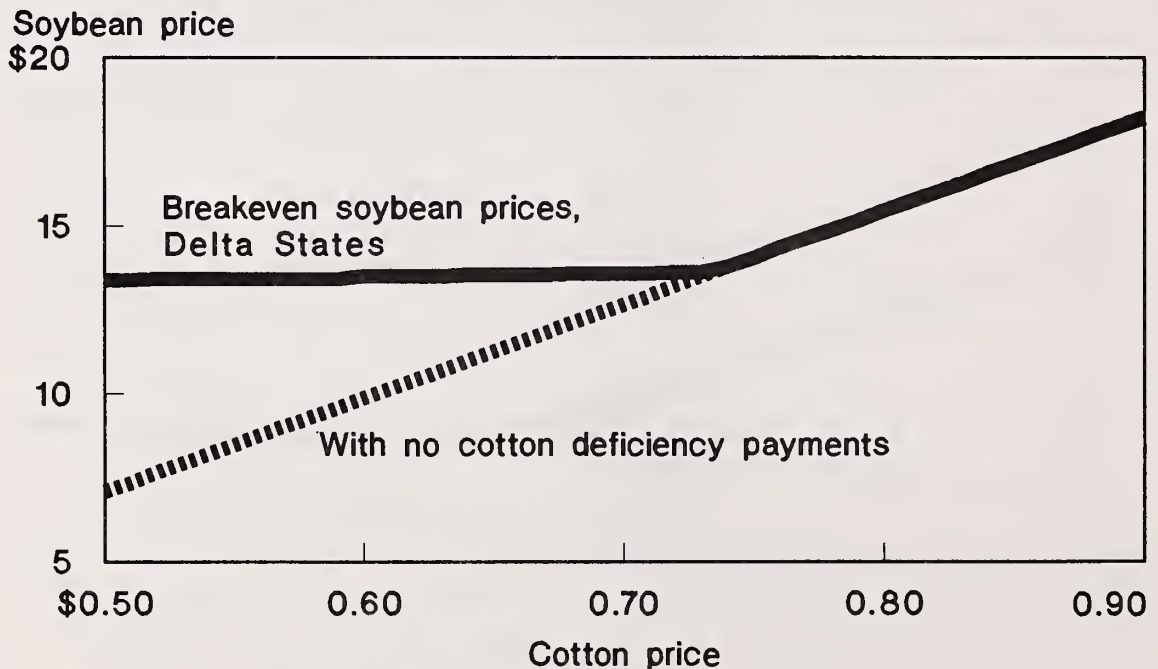
Soybean/Cotton Breakeven Prices, 1989/90



Soybeans planted on permitted cotton base.

Economic Research Service

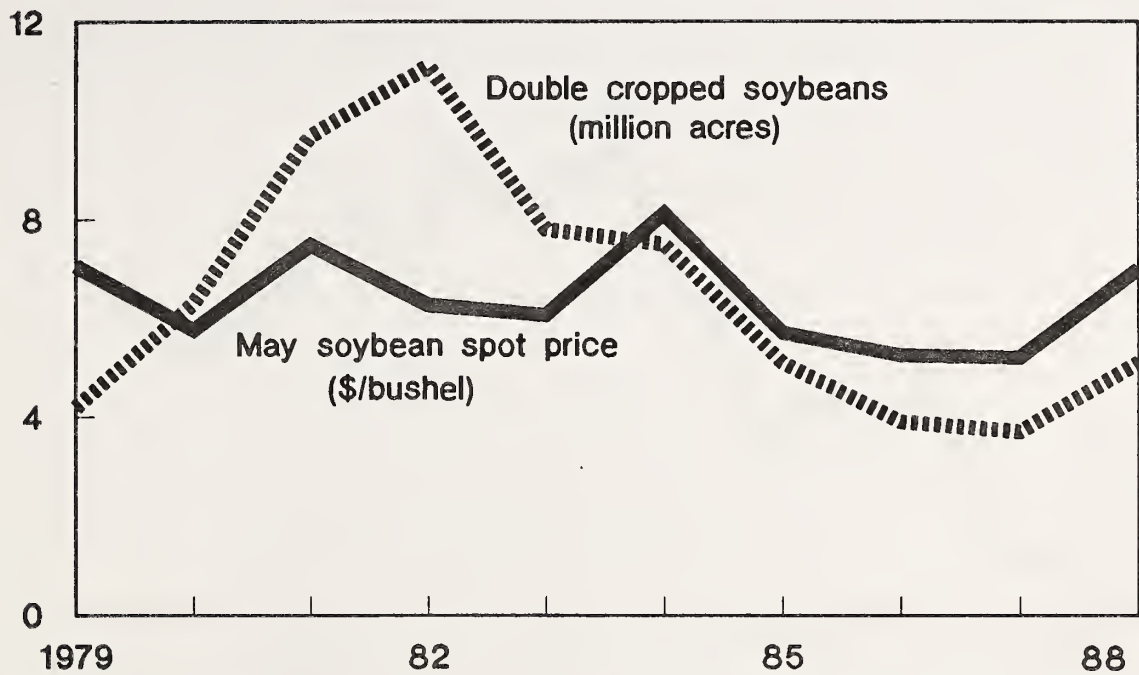
Soybean/Cotton Breakeven Prices, 1989/90



Soybeans planted on permitted cotton base.

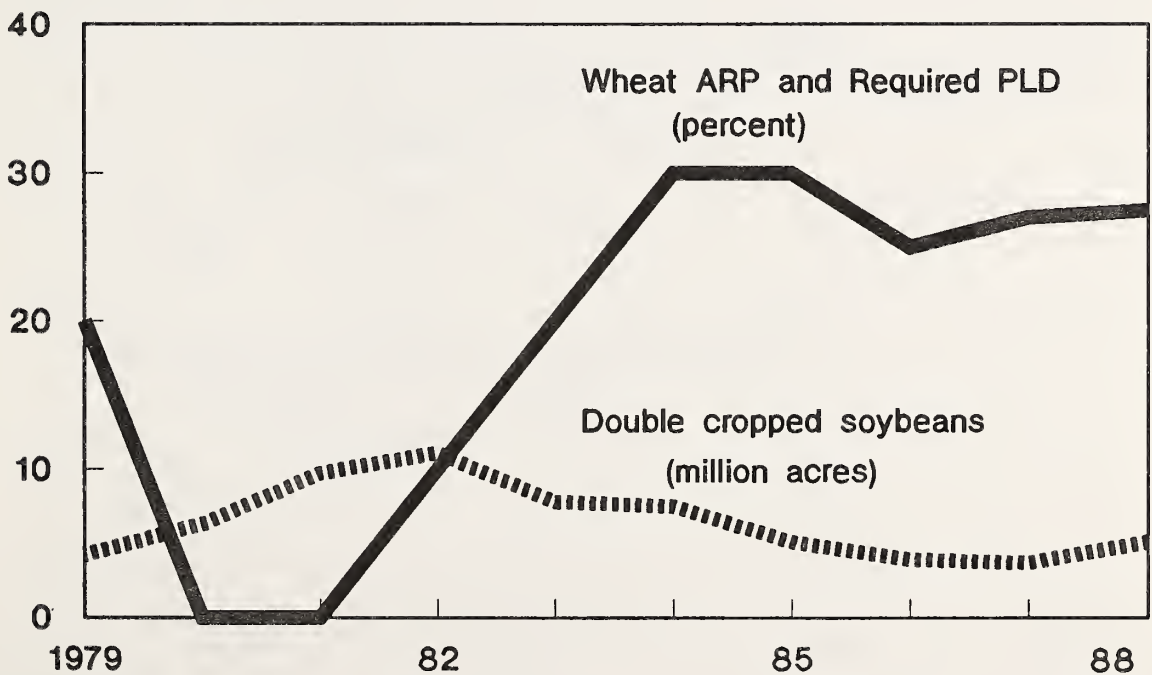
Economic Research Service

Soybean Acres and Spot Prices



Economic Research Service

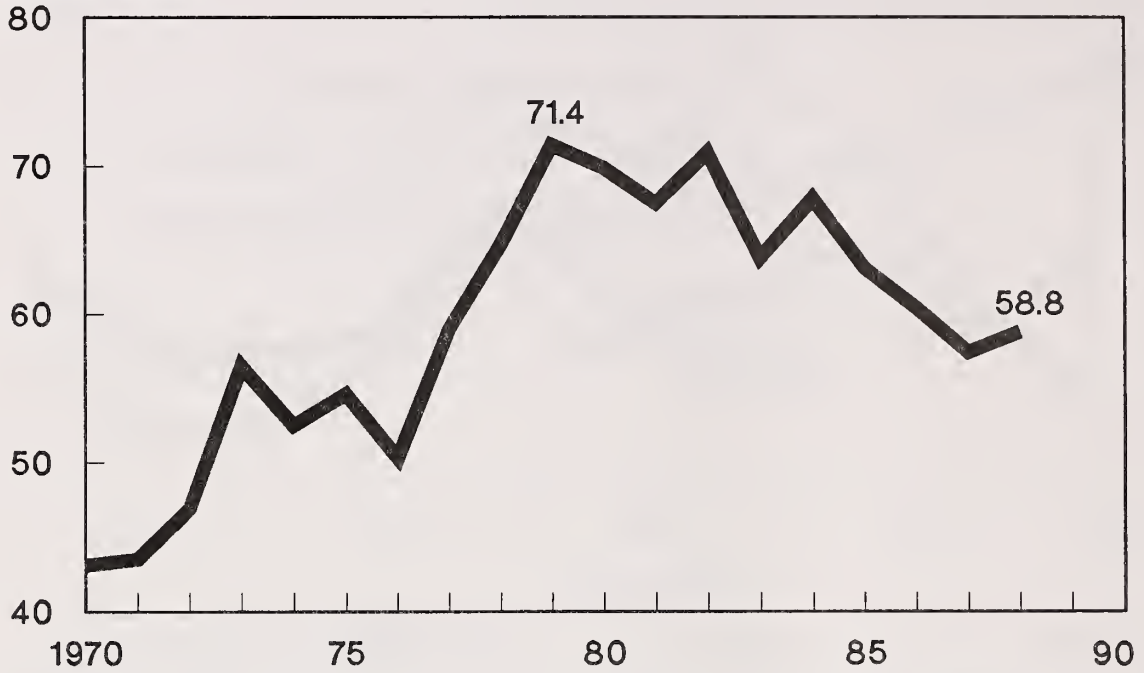
Soybean Acres and the Wheat Program



Economic Research Service

U.S. Soybean Plantings

Million acres



Economic Research Service

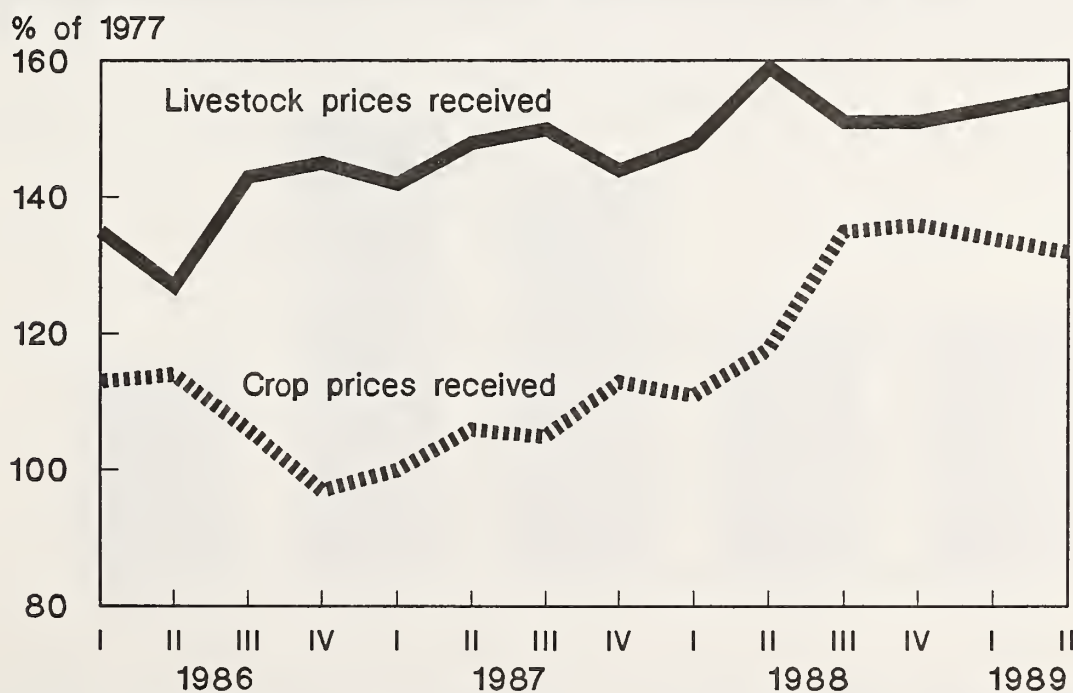


Improved Economic Fundamentals Shape the Outlook

- Less reliance on CCC loans
- Commodity stockpiles reduced
- Effective cost control
- Capital budgets tightened
- Record-high livestock receipts

Economic Research Service

Improvement in Commodity Prices



Economic Research Service

Crop Receipts Rebound

	1986	1987	1988	1989*
	Billion dollars			
Total	64	62	69	69-72
Wheat	4.9	4.9	6	7
Corn	12.5	8.8	9	10
Soybeans	9.2	9.6	13	12
Fruits/Veg.	22.2	23.5	24	25

• Forecast

Economic Research Service

Record Livestock Receipts Forecast

	1986	1987	1988	1989*
	Billion dollars			
Total	72	76	80	79-81
Cattle	28.9	33.8	37	37
Hogs	9.7	10.3	9	10
Poultry/eggs	12.7	11.5	13	14
Dairy	17.8	17.8	17	18

• Forecast

Economic Research Service

Moderate Growth In Expenses

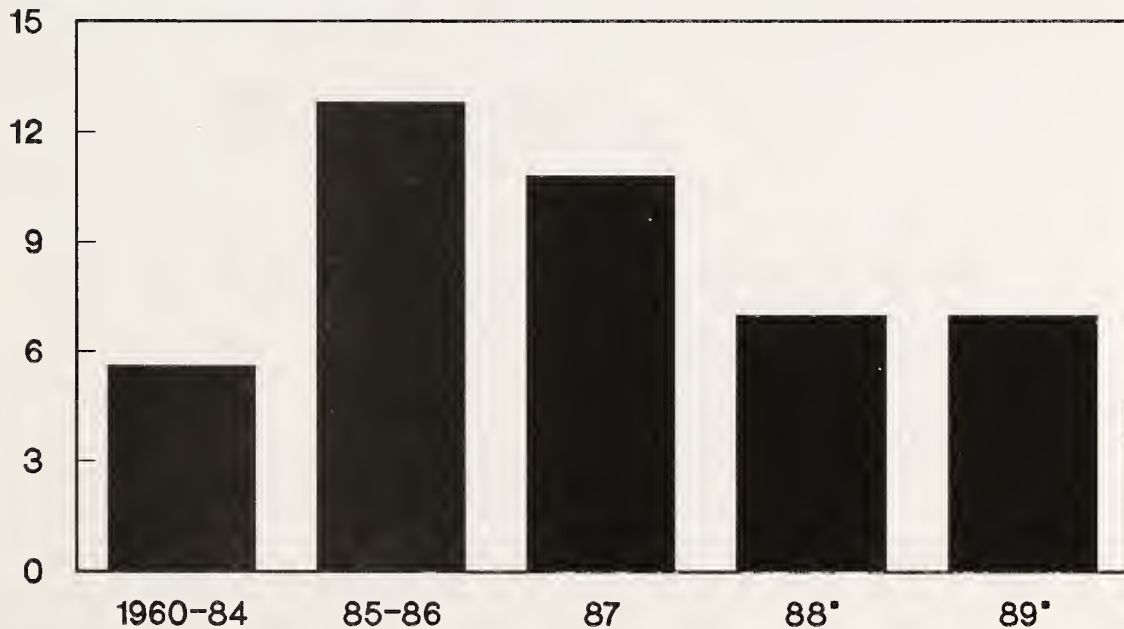
	1986	1987	1988*	1989*
	Percent change from a year earlier			
Farm origin items	-5	8	21	1
Manufactured inputs	-19	-1	4	13
Interest charges	-9	-8	2	2
Repairs, labor, other	-7	2	0	8
Total expenses	-9	1	8	5

* Forecast

Economic Research Service

Government Payments Declining

Percent of cash income



* Forecast.

Economic Research Service

Income Outlook: More Production, Less Cash as Inventory Replenished

	1987	1988*	1989*
	Billion dollars		
Receipts	138	149	148-152
Direct payments	17	14	10-12
Cash expenses	103	111	115-118
Inventory change	-1	-9	8-10
Net farm income	46	39	44-48
Net cash income	57	57	48-52

• Forecast

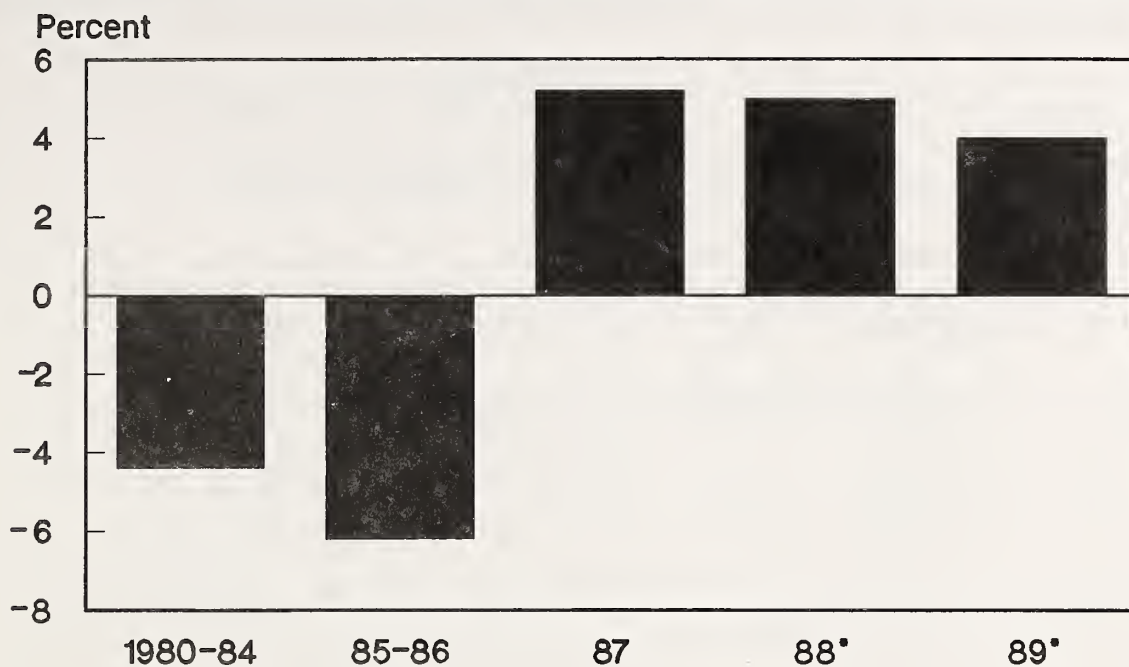
Economic Research Service

Financial Gains for Commercial Farms

	1985	1986	1987
	Percent		
Returns on assets	N/A	4.8	6.5
Positive cash income	65	67	72
Financially vulnerable	17	16	11

Economic Research Service

Asset Returns Reflect Better Balance in Prices



Economic Research Service

Agriculture's Recent Problems

- 1980-83 Income crisis
- 1984-86 Debt and asset restructuring
- 1988 Severe drought

Economic Research Service

1988 Drought Worst in 50 Years

	Northern Wheat Belt ¹	Corn Belt ²
Percent in drought counties		
Farms	82	79
Wheat	94	65
Corn and soybeans	59	73
Dairy	82	88
Irrigated farms	11	2

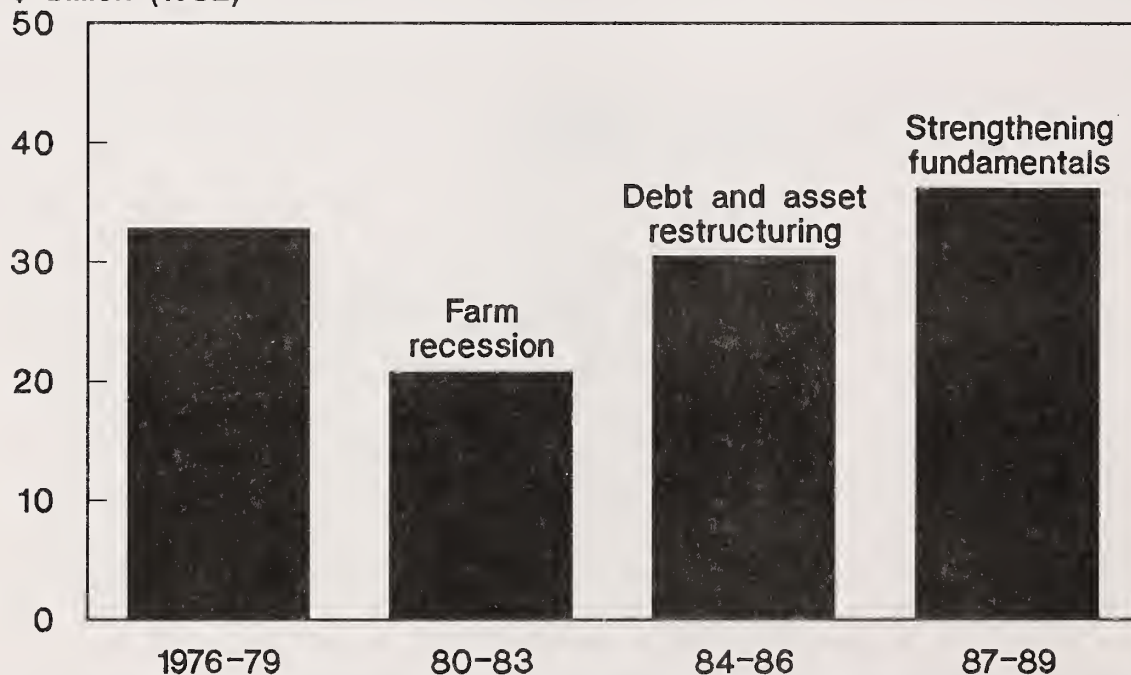
1/ MT, ND, SD, WY

2/ IL, IN, IA, MI, MN, MO, OH, WI

Economic Research Service

1980's Ending with Higher Net Farm Income

\$ billion (1982)



Economic Research Service

Farm Balance Sheet Has Stabilized

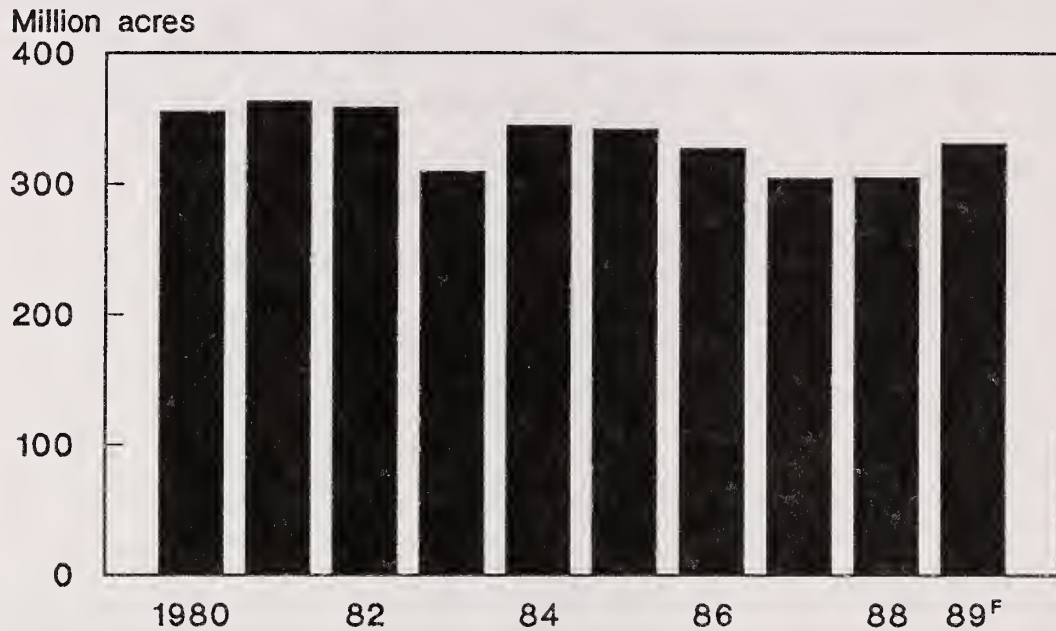
	1986	1987	1988*	1989*
	Billion dollars (1982)			
Assets	605	603	609	595-605
Debt	136	121	114	110-115
Net worth	470	481	495	485-490

▪ Forecast
Real terms

Economic Research Service



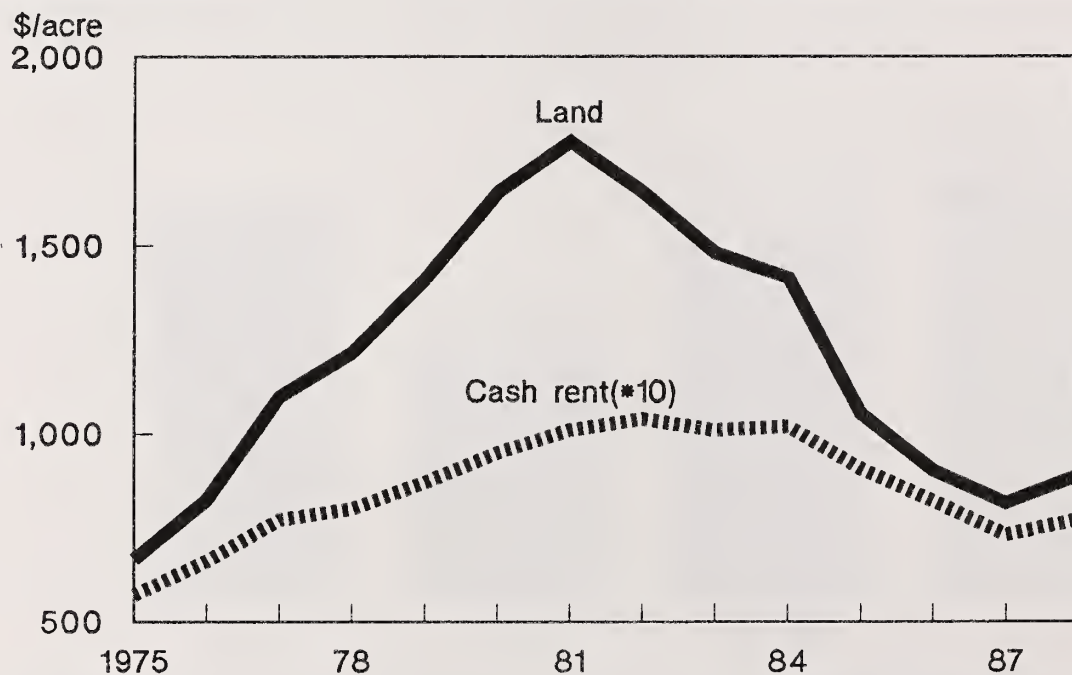
Area Planted to Principal Crops



F = forecast

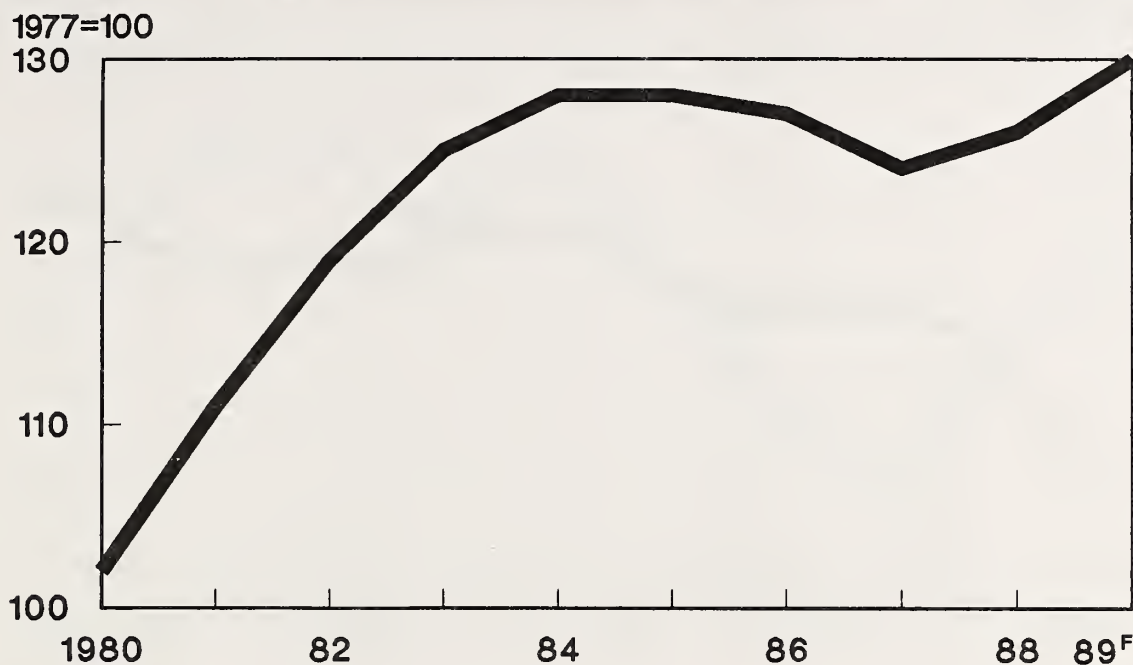
Economic Research Service

Corn Belt Per Acre Values



Economic Research Service

Agricultural Chemical Price Index



F=forecast

Economic Research Service

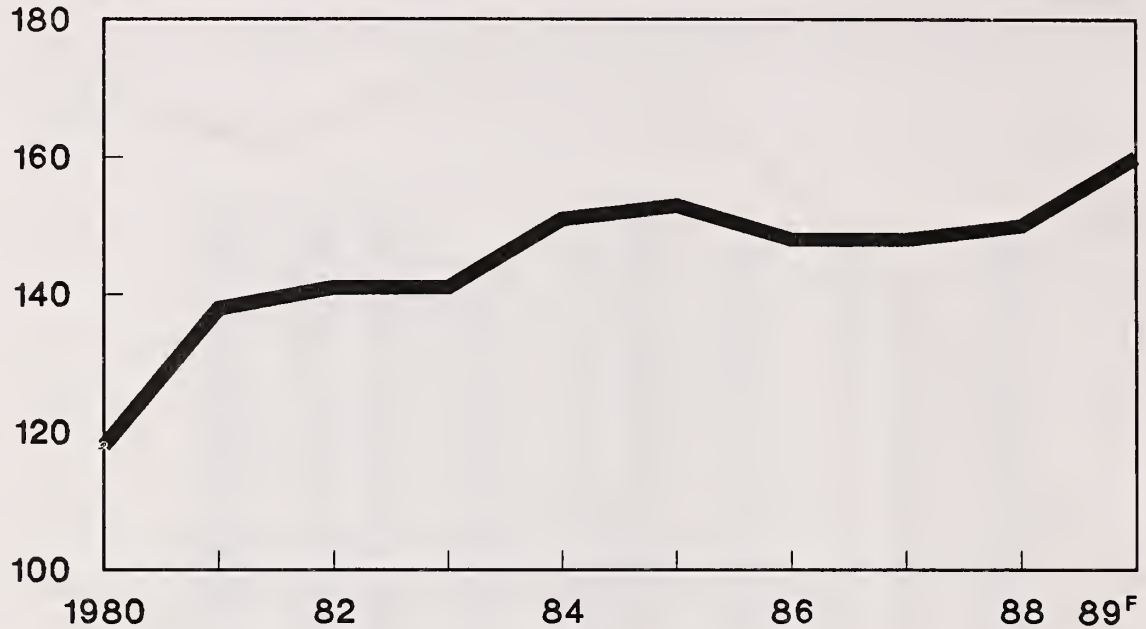
Agricultural Input Trends and Issues

- Mega farms--major output producers and input consumers.
- Input industry concentration and restructuring.
- Input industry globalization/ GATT.
- Farm programs -- ARP, CRP, conservation compliance.
- Water quality/ LISA/ Rural Clean Water Act.
- FIFRA, IRCA, ACA, Endangered Species.

Economic Research Service

Seed Price Index

1977=100

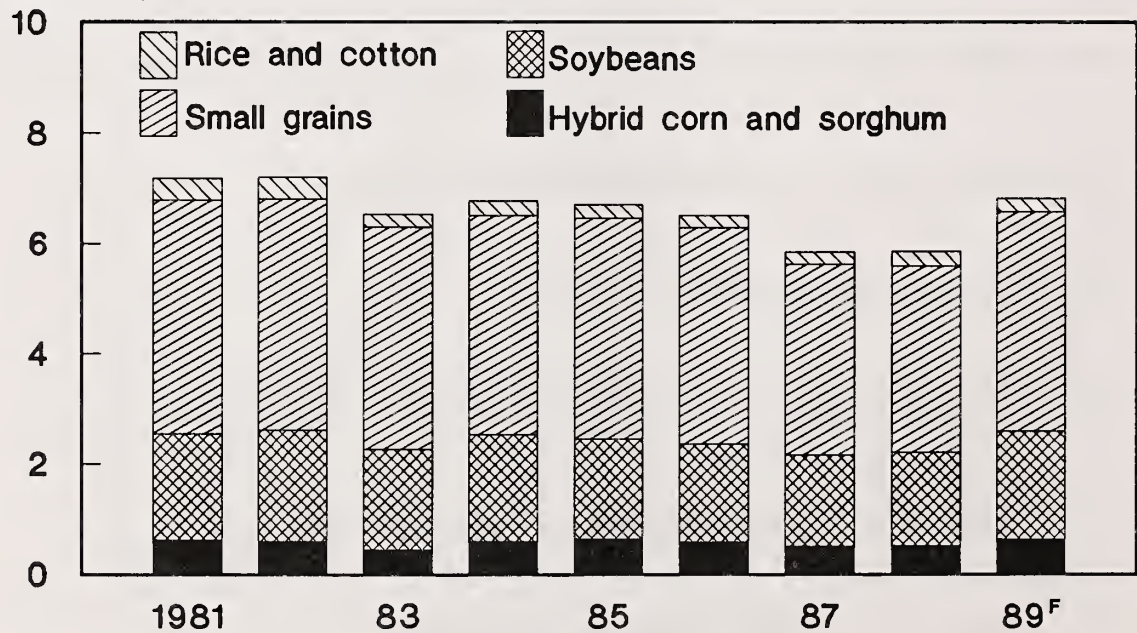


F=forecast

Economic Research Service

Seed Use for Major Crops

Million tons

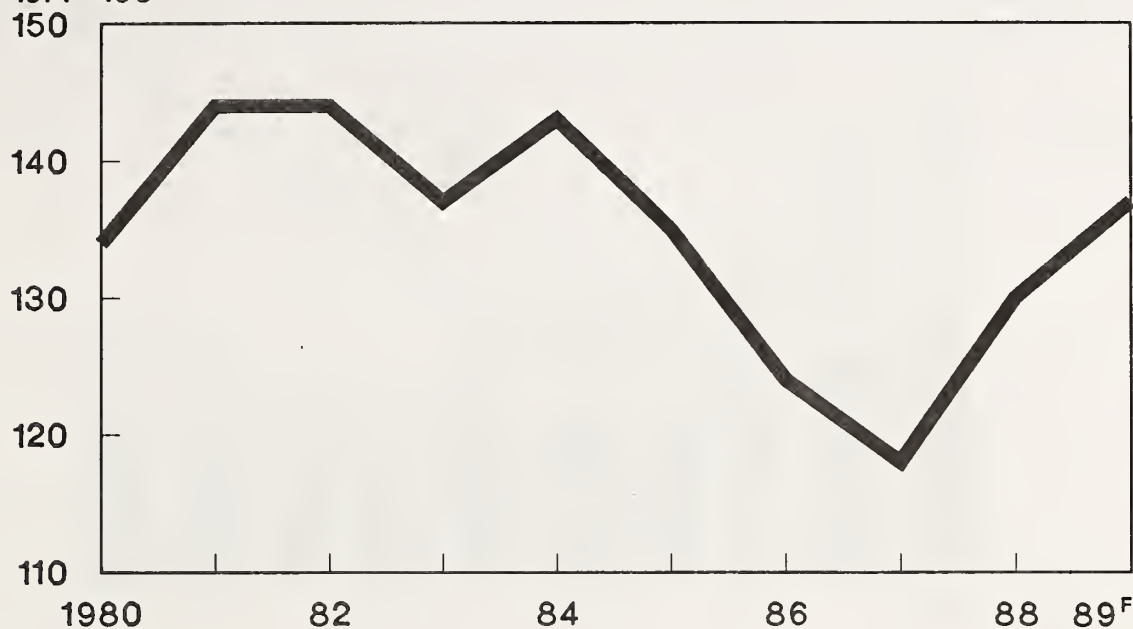


F = forecast

Economic Research Service

Fertilizer Price Index

1977=100

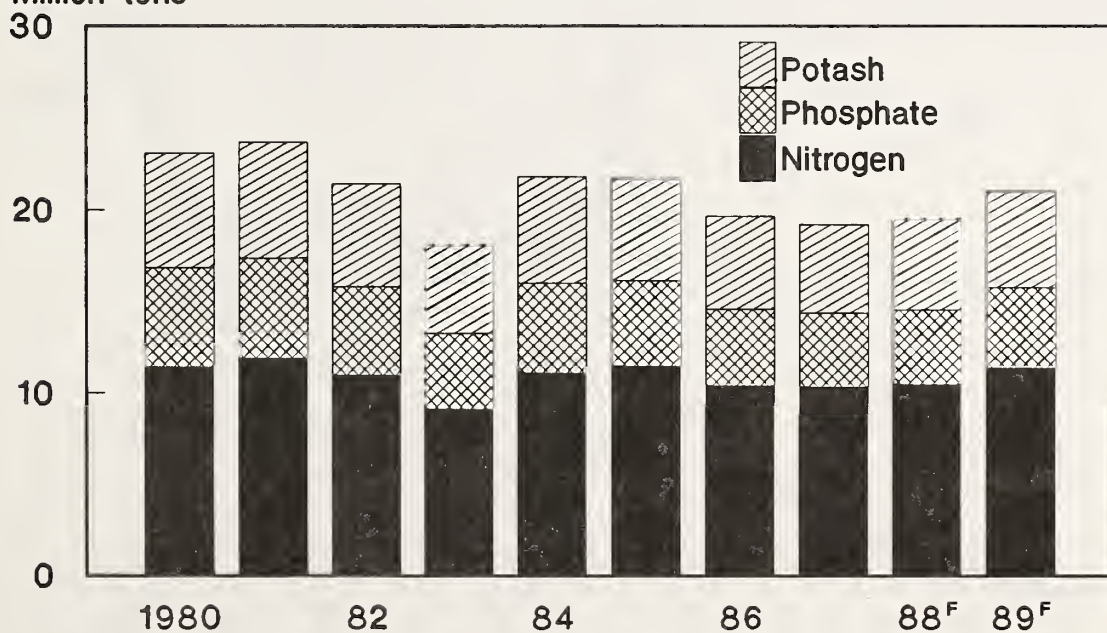


F = forecast

Economic Research Service

Fertilizer Nutrient Consumption

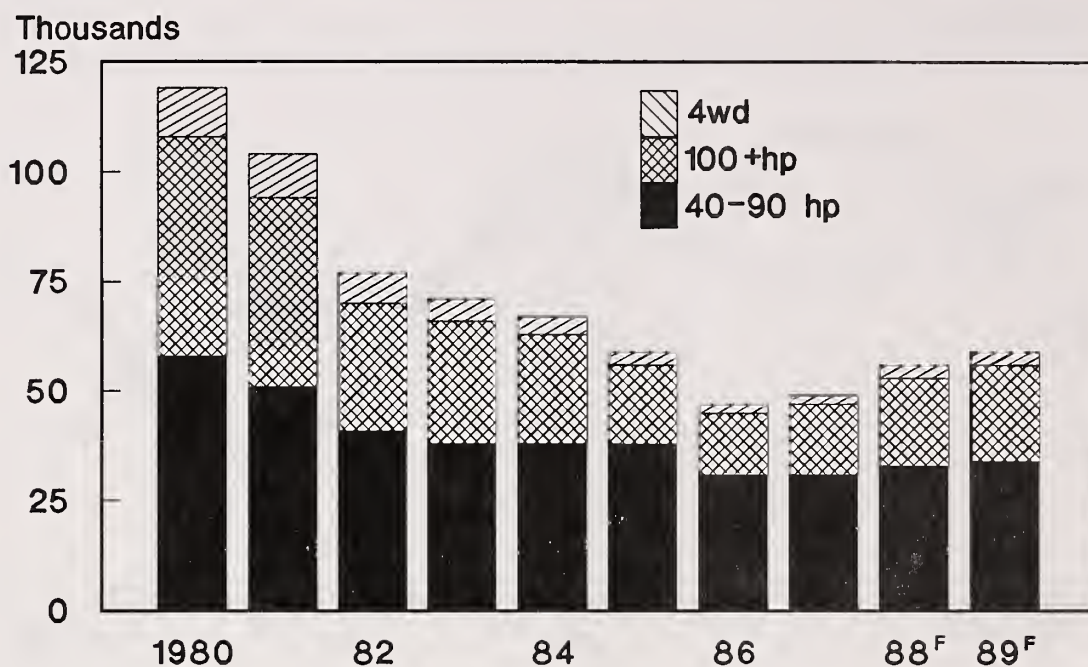
Million tons



F = forecast

Economic Research Service

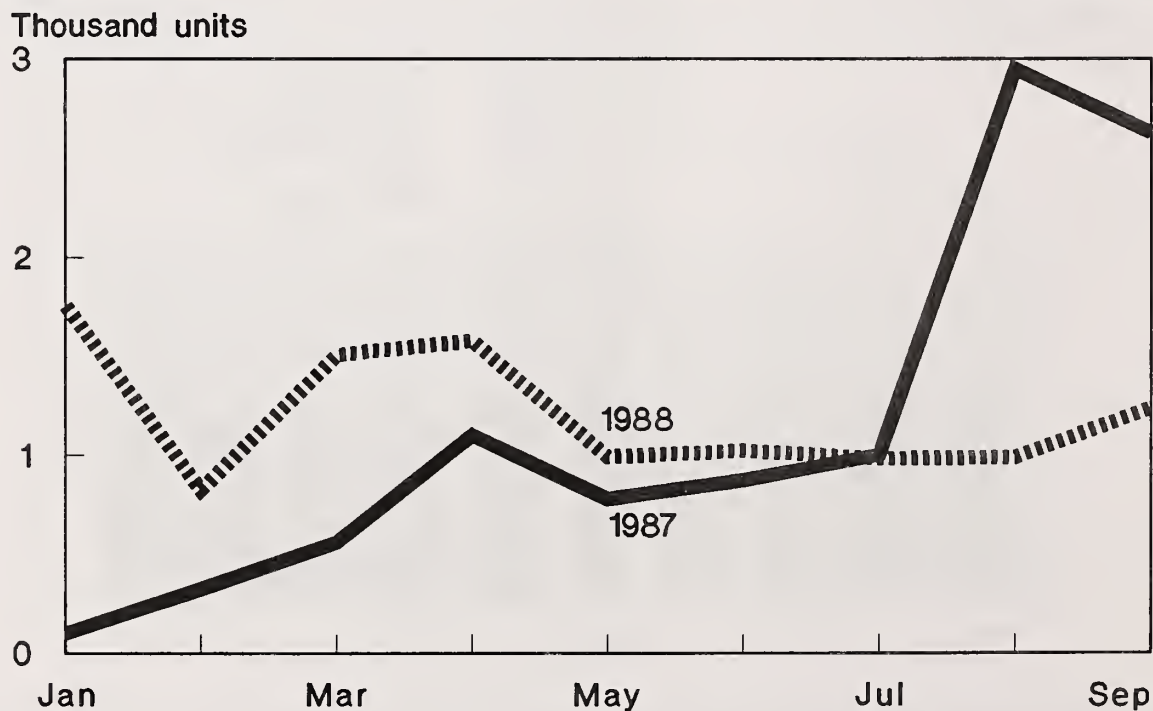
Tractor Sales



F = Forecast

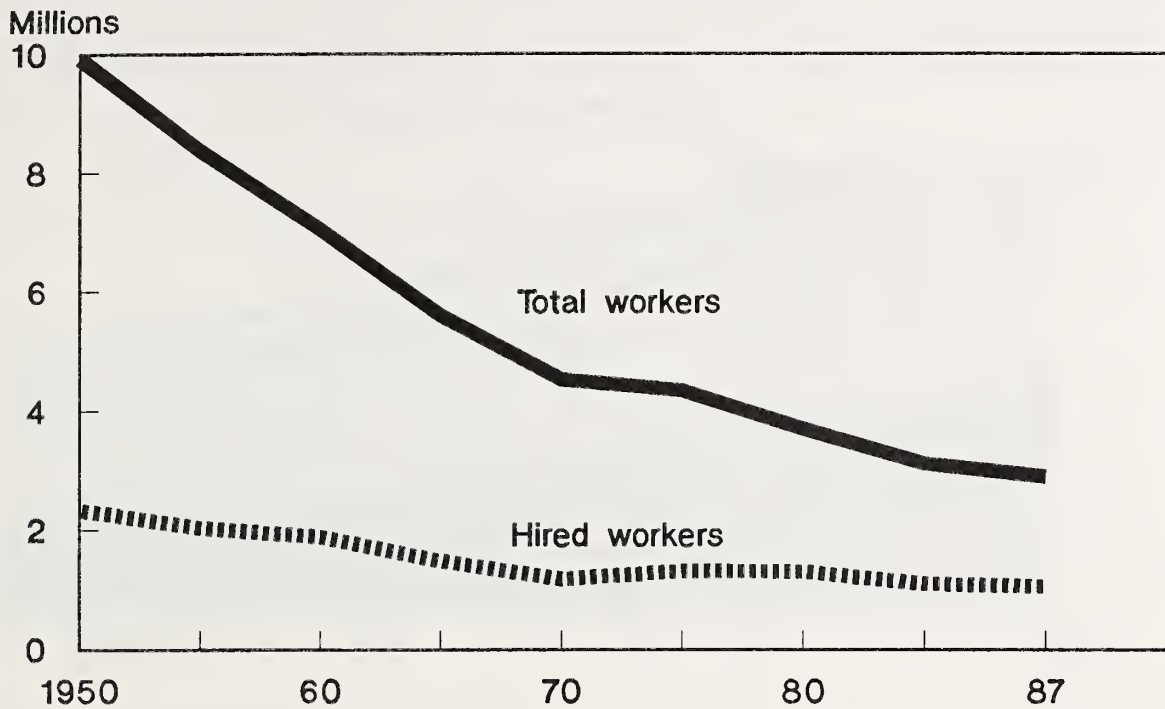
Economic Research Service

Tractor Unit Sales 100+ HP



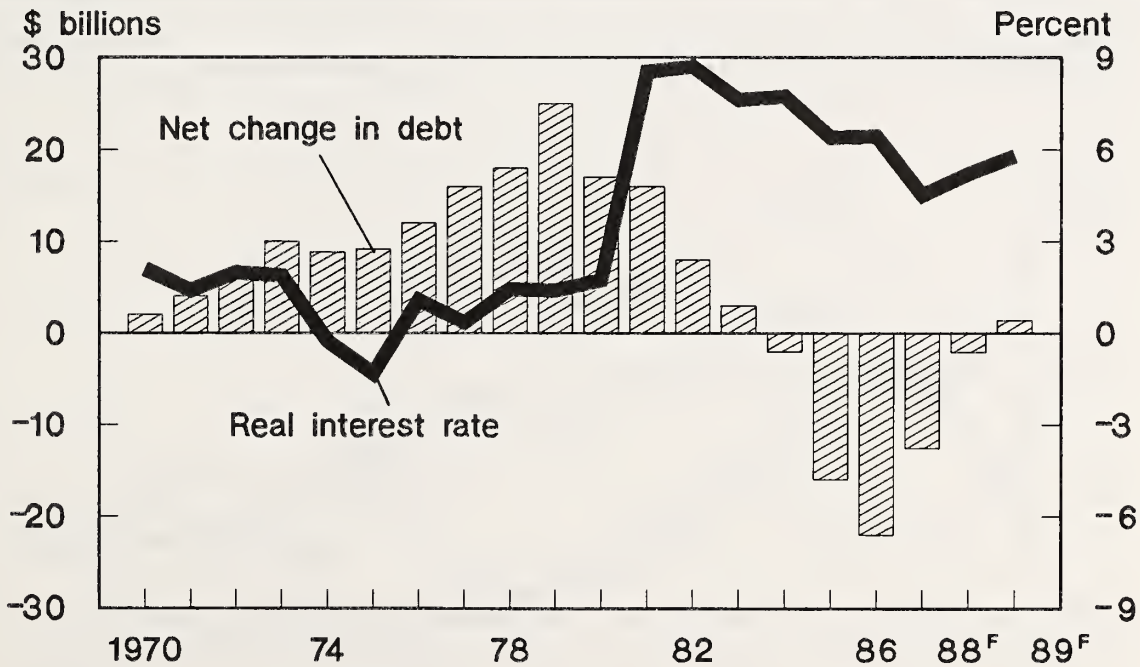
Economic Research Service

Farm Employment



Economic Research Service

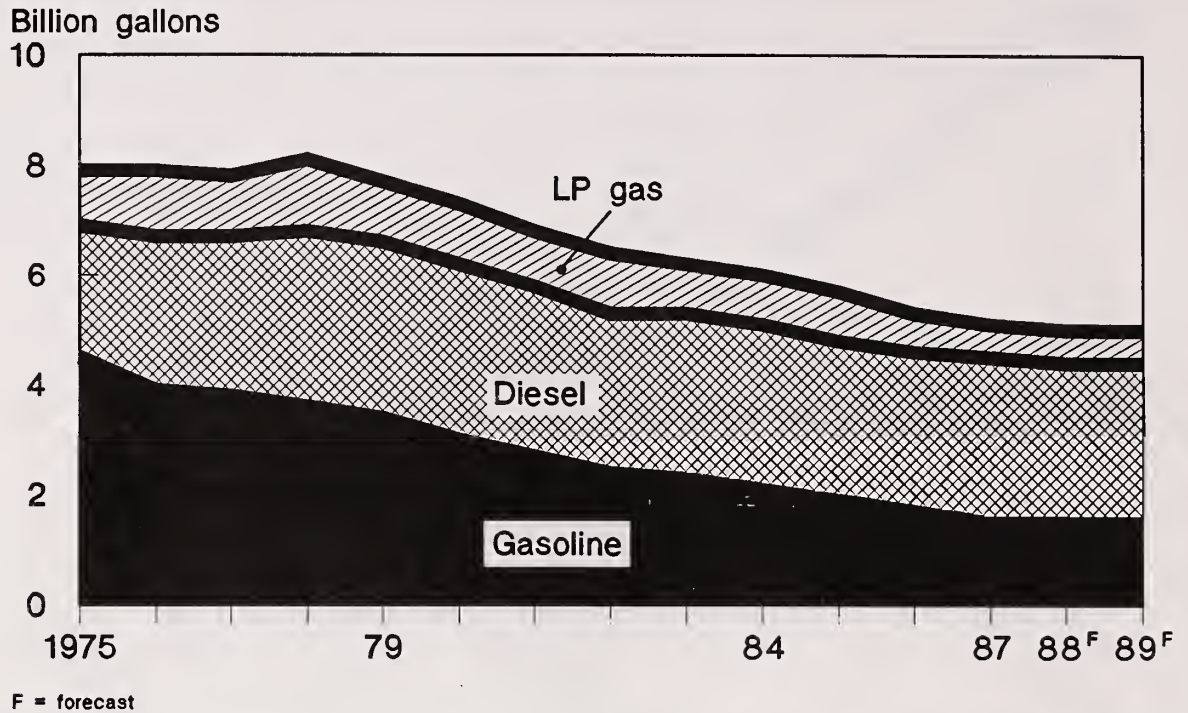
Farm Debt Change and Real Interest Rate



F= forecast.

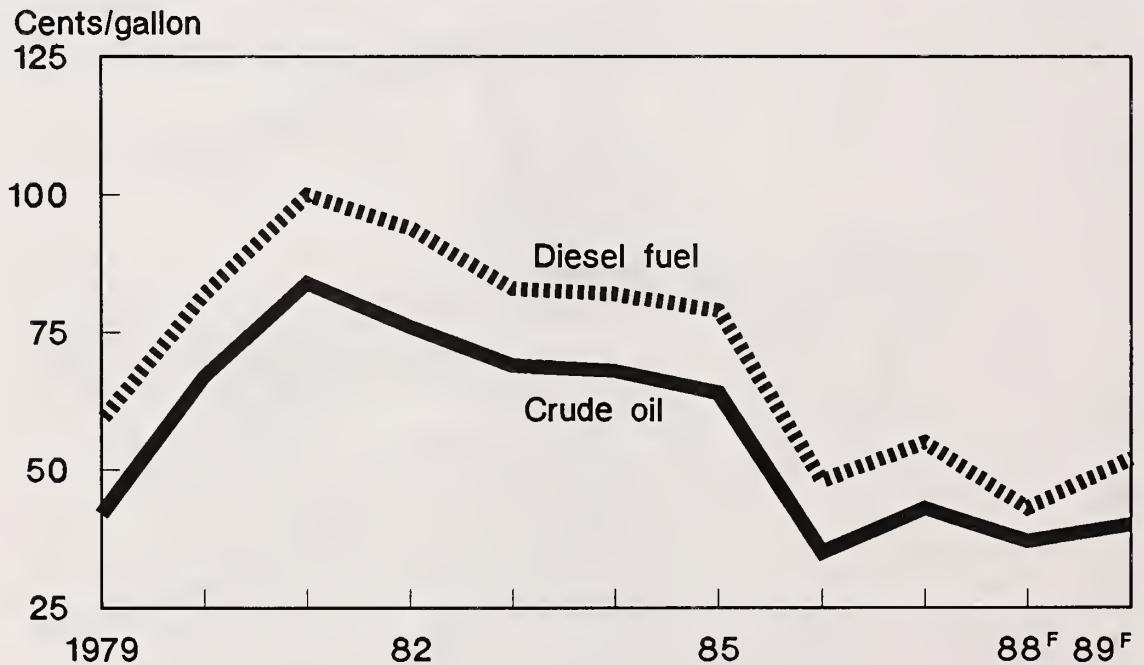
Economic Research Service

Farm Fuel Use



Economic Research Service

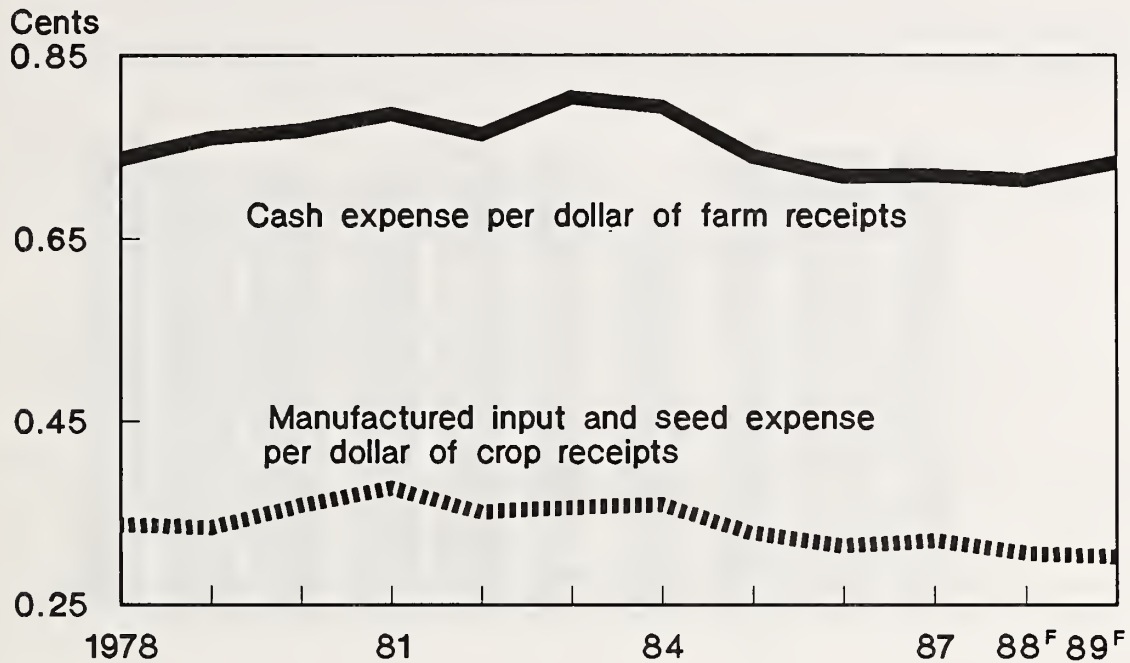
Crude Oil and Diesel Fuel Prices



F=DOE forecasts JULY 1988

Economic Research Service

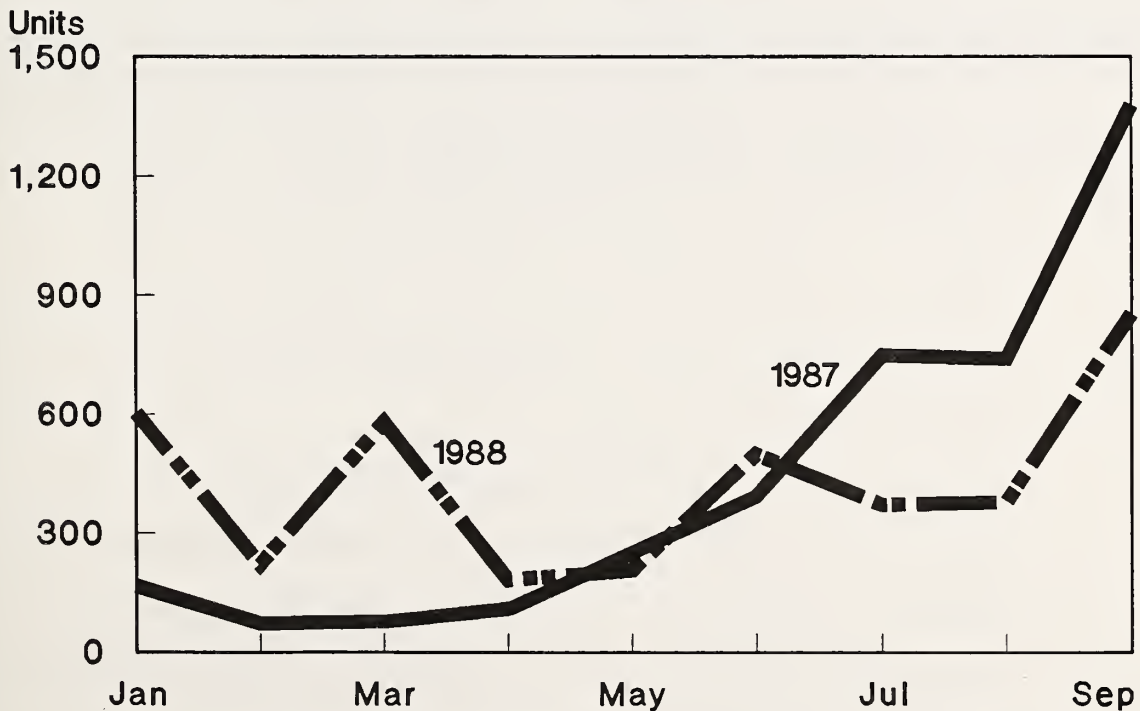
Cash Expenditures/Farm Receipts



F = forecast.

Economic Research Service

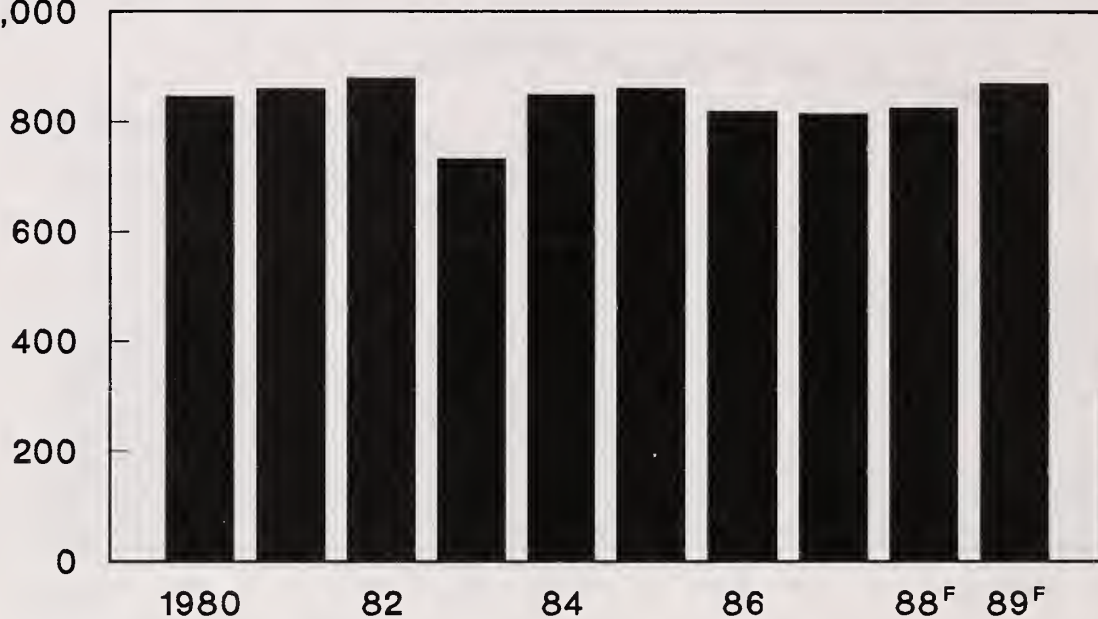
Sales of Self-Propelled Combines



Economic Research Service

U.S. Agricultural Pesticide Use

Million pounds
1,000



F = forecast EPA estimates, 1980-87.

Economic Research Service

Get these timely reports from USDA's Economic Research Service

These periodicals bring you the latest information on food, the farm, and rural America to help you keep your expertise up-to-date. Order these periodicals to get the latest facts, figures, trends, and issues from ERS.

Agricultural Outlook. Presents USDA's farm income and food price forecasts. Emphasizes the short-term outlook, but also presents long-term analyses of issues ranging from international trade to U.S. land use and availability. Packed with more than 50 pages of charts, tables, and text that provide timely and useful information.

Economic Indicators of the Farm Sector. Updates economic trends in U.S. agriculture. Each issue explores a different aspect of income and expenses: national and State financial summaries, production and efficiency statistics, costs of production, and an annual overview.

Farmline. Concise, fact-filled articles focus on economic conditions facing farmers, how the agricultural environment is changing, and the causes and consequences of those changes for farm and rural people. Synthesizes farm economic information with charts and statistics.

Foreign Agricultural Trade of the United States. Every 2 months brings you quantity and value of U.S. farm exports and imports, plus price trends. Subscription also includes monthly update newsletters and two big 300-page supplements containing data for the previous fiscal or calendar year. A must for traders!

Journal of Agricultural Economics Research. Technical research in agricultural economics, including econometric models and statistics on methods employed and results of USDA economic research.

National Food Review. Offers the latest developments in food prices, product safety, nutrition programs, consumption patterns, and marketing.

Rural Development Perspectives. Crisp, nontechnical articles on the results of the most recent and the most relevant research on rural areas and small towns and what those results mean.

☐ Check here for a **free** subscription to *Reports*, a quarterly bulletin describing the latest ERS research reports. It's designed to help you keep up-to-date in all areas related to food, the farm, the rural economy, foreign trade, and the environment.

See other side for other periodicals available from ERS!

	1 year	2 years	3 years
Agricultural Outlook (11 per year)	_____ \$22	_____ \$43	_____ \$63
Economic Indicators of the Farm Sector (5 per year)	_____ \$12	_____ \$23	_____ \$33
Farmline (11 per year)	_____ \$11	_____ \$21	_____ \$30
Foreign Agricultural Trade of the United States (8 per year)	_____ \$20	_____ \$39	_____ \$57
Journal of Agricultural Economics Research (4 per year)	_____ \$7	_____ \$13	_____ \$18
National Food Review (4 per year)	_____ \$10	_____ \$19	_____ \$27
Rural Development Perspectives (3 per year)	_____ \$9	_____ \$17	_____ \$24

Complete both sides of this order form.

Save by subscribing for up to 3 years. Save another 25 percent by ordering 50 or more copies to one address.

Situation and Outlook Reports. These reports provide timely analyses and forecasts of all major agricultural commodities and related topics such as finance, farm inputs, land values, and world and regional developments.

	1 year	2 years	3 years
Agricultural Exports (4 per year)	_____ \$10	_____ \$19	_____ \$27
Agricultural Income and Finance (4 per year)	_____ \$10	_____ \$19	_____ \$27
Agricultural Resources (5 per year, each devoted to one topic, including <i>Inputs</i> , <i>Agricultural Land Values and Markets</i> , and <i>Cropland, Water, and Conservation</i> .)	_____ \$10	_____ \$19	_____ \$27
Aquaculture (2 per year)	_____ \$10	_____ \$19	_____ \$27
Cotton and Wool (4 per year)	_____ \$10	_____ \$19	_____ \$27
Dairy (5 per year)	_____ \$10	_____ \$19	_____ \$27
Feed (4 per year)	_____ \$10	_____ \$19	_____ \$27
Fruit and Tree Nuts (4 per year)	_____ \$10	_____ \$19	_____ \$27
Livestock and Poultry (6 per year plus 2 supplements)	_____ \$15	_____ \$29	_____ \$42
Oil Crops (4 per year)	_____ \$10	_____ \$19	_____ \$27
Rice (3 per year)	_____ \$10	_____ \$19	_____ \$27
Sugar and Sweetener (4 per year)	_____ \$10	_____ \$19	_____ \$27
Tobacco (4 per year)	_____ \$10	_____ \$19	_____ \$27
Vegetables and Specialties (3 per year)	_____ \$10	_____ \$19	_____ \$27
Wheat (4 per year)	_____ \$10	_____ \$19	_____ \$27
World Agriculture (3 per year)	_____ \$10	_____ \$19	_____ \$27
World Agriculture Regionals (5 per year)	_____ \$10	_____ \$19	_____ \$27
Supplement your subscription to <i>World Agriculture</i> by subscribing to these five annuals: <i>Western Europe</i> , <i>Pacific Rim</i> , <i>Developing Economies</i> , <i>China</i> , and <i>USSR</i> .			

For fastest service, call toll free: 1-800-999-6779 (8:30-5:00 ET)

- Use purchase orders, checks drawn on U.S. banks, cashier's checks, or international money orders.
- **Make payable to ERS-NASS.**
- Add 25 percent for shipments to foreign addresses (includes Canada).

Name _____

Organization _____

Address _____

City, State, Zip _____

☐ Bill me. ☐ Enclosed is \$ _____.

Credit Card Orders:

Daytime phone (_____) _____

☐ MasterCard ☐ VISA Total charges \$ _____.

Credit card number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration date:

Month / Year	

Complete both sides of this order form and mail to:

**ERS-NASS
P.O. Box 1608
Rockville, MD 20850**